

**CHARTER OF THE AUDIT AND RISK MANAGEMENT COMMITTEE**

COPENHAGEN AIRPORTS A/S

CVR NO. 14 70 72 04

**Table of content**

1	PURPOSE .....	3
2	THE OVERALL ROLE OF THE COMMITTEE.....	3
3	COMPOSITION AND ATTENDANCE .....	3
4	QUORUM AND VOTING .....	5
5	NUMBER AND NOTICE OF MEETINGS OF THE COMMITTEE .....	5
6	FINANCIAL REPORTING .....	6
7	INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS .....	7
8	BUSINESS ASSURANCE REVIEW.....	7
9	INTERACTION WITH THE EXTERNAL AUDITORS.....	8
10	RISK MANAGEMENT, SSEH AND INSURANCE COVERAGE .....	10
11	OTHER ISSUES .....	10
12	REPORTING AND EVALUATION.....	10

## **CHARTER OF THE AUDIT AND RISK MANAGEMENT COMMITTEE**

COPENHAGEN AIRPORTS A/S

(CVR NO. 14 70 72 04)

### **1 PURPOSE**

1.1 The purpose of this charter is to provide an overview of the specific tasks, duties and responsibilities of the Audit and Risk Management Committee of the Board of Directors of CPH ("Committee").

1.2 This charter is not intended to outline the tasks, duties and responsibilities of the Committee stemming from their positions as members of the Board of Directors in general, nor shall this charter enlarge upon or diminish the specific tasks, duties and responsibilities of the Committee specified in CPH's articles of association, the Rules of Procedure for the Board of Directors, Instructions for the Executive Board, internal rules adopted by the Board of Directors or being the result of applicable law.

### **2 THE OVERALL ROLE OF THE COMMITTEE**

2.1 The Committee is a committee of the Board of Directors established in accordance with the Rules of Procedure of the Board of Directors of CPH.

2.2 The Committee shall perform preparatory tasks for and advise the Board of the Directors in fulfilling its responsibilities relating to the accounting, financial, social and environmental reporting, and auditing as well as control, risk management, including Safety, Security, Environment and Health ("SSEH") and insurance coverage of CPH.

2.3 The Committee will, in addition to considering issues relating to CPH, also consider issues affecting the other companies in the CPH group of companies (including both wholly and majority owned subsidiaries). Reference to CPH in this charter should, where appropriate, be read to include the CPH Group.

### **3 COMPOSITION AND ATTENDANCE**

3.1 The Committee will consist of at least two and no more than five Board members appointed by the Board of Directors, one of whom will also be appointed as Chairman of the Committee.

- 3.2 Between them, the members of the Committee shall 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. Moreover, one of the members shall be independent. At least one of the members shall have appropriate qualifications within accountancy or audit.
- 3.3 Members of the Committee will be appointed by the Board of Directors and shall be eligible for re-appointment. The Chairman of the Committee will be appointed by the Board of Directors. The Chairman of the Board of Directors shall not be Chairman of the Committee.
- 3.4 With the exception of agenda items reserved for the Committee's internal discussion at each meeting, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") attends the Committee meetings. The Corporate Secretary will act as Secretary for the Committee.
- 3.5 If the Chairman of the Committee or the CEO deems it necessary, CPH employees can attend the Committee meetings presenting agenda items of which the employee is responsible/possesses special knowledge.
- 3.6 Observers will be permitted to attend the Committee meetings with prior approval by the Committee.
- 3.7 The Chairman of the Committee may allow the company's external auditor and other external professional advisors or other third parties as deemed relevant to attend the Committee meetings and / or separate agenda items on the Committee meetings.
- 3.8 The Committee will have unlimited access within the scope of its charter to the external auditors, to the Executive Board and to other members of senior management.
- 3.9 The Committee may at any time obtain professional advice to assist it in carrying out any of its functions.

#### **4 QUORUM AND VOTING**

- 4.1 The Committee shall form a quorum when a majority of the members of the Committee is present. Any committee member can however request that a specific meeting will require the participation of all members of the Committee.
- 4.2 All decisions of the Committee require the supporting votes of a simple majority of votes.
- 4.3 In case the Committee has voted on a specific motion at the meeting of the Committee and been unable to reach a majority as provided for any member of the Committee can require that the matter be considered by the Board of Directors.
- 4.4 Attendance in meetings of the Committee by telephone or video-conferencing is acceptable.
- 4.5 In exceptional cases, a Committee resolution may be passed over the phone or in writing to the extent that this does not prevent the Committee from performing its duties. Any member of the Committee may, however, demand an oral discussion, which may be conducted by way of video conference or conference call.

#### **5 NUMBER AND NOTICE OF MEETINGS OF THE COMMITTEE**

- 5.1 Meetings will be held quarterly and otherwise on an "as needs" basis as determined by the Chairman of the Committee.
- 5.2 Meetings can be requested by any member of the Committee or by the external auditors by a suitable means of communication to the Chairman setting out the agenda to all members of the Committee, generally giving not less than eight days' notice. Such notice may, however, be shortened when exceptional circumstances warrant it. Appendices relating to the individual items on the agenda shall, if at all possible, be forwarded to the members of the Committee at the same time as the notice convening the meeting.
- 5.3 The Committee and the Board of Directors must meet with the external auditor without the presence of the Executive Board at least once annually.
- 5.4 The meetings of the Committee shall be held as directed by the Chairman at the company's offices or any other place specified by the Chairman, normally in Denmark, in writing or by way of electronic means.

5.5 The Chairman shall arrange for minutes of the Committee's proceedings to be kept. To the extent possible, the minutes of the meeting of the Committee shall be distributed to the members of the Committee within eight days after the meeting was held. Any changes or additions to the minutes shall be sent to the Chairman.

## **6 FINANCIAL REPORTING**

6.1 The Committee shall inform the Board of Directors of the result of the statutory audit, including the financial reporting process. The Committee shall monitor the financial reporting process and present recommendations or proposals to ensure integrity.

6.2 Fulfilling the overall duty of the Committee in relation to financial reporting, as described in 6.1, includes:

- Monitor financial reporting and financial information, etc. in the annual report, interim reports, and/or other financial reporting issued and assess the aggregate information that is published.
- Monitor accounting policies and appropriateness in the most important areas, and the recognition and measurement methods used for significant and unusual transactions whose accounting treatment may be based on alternative accounting policies.
- Monitor significant accounting estimates, changes therein as well as the basis, assumptions and documentation.
- Monitor uncertainties and risks associated with the presentation of financial statements, including also in relation to the expectations for the current year.
- Monitor transactions with related parties and their presentation in the financial reporting.
- Prepare the Board of Director's handling of and position that the presentation of accounts is subject to going concern assumptions, including the possible special assumptions underlying this and, if applicable, any uncertainties attached thereto.
- Monitor CPH's forecasts and forward-looking statements (guidance) as well as the basis for it, uncertainties and risks.
- Monitor CPH's tax policy.
- Monitor CPH's reporting on CSR, corporate governance, internal controls, target figures on gender composition of management and other statutory information provided in the management's review or on CPH's website.
- Monitor compliance with other rules or financial agreements applicable to CPH.

- Report to the Board of Directors about the Committee's activities in relation to annual and interim reports and other published financial reporting.

## **7 INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS**

7.1 The Committee shall monitor whether CPH's internal control systems and risk management systems function efficiently regarding the financial reporting process and without compromising the independence of the Committee.

7.2 Fulfilling the overall duty of the Committee in relation to internal control and risk management systems, as described in 7.1, includes:

- Review and assess at least annually CPH's internal control systems and risk management systems, management policies and guidelines, and the monitoring thereof to assess the effectiveness and appropriateness of the controls and/or any weaknesses.
- Monitor CPH's procedures for prevention, detection and reporting of fraud.
- Monitor CPH's whistle-blower scheme anchored at the Board of Directors.
- Provide recommendations to the Board of Directors with a view to remedying any deficiencies, weaknesses, etc. in the internal controls in relation to fraud and to strengthen CPH's procedures for the prevention and disclosure of fraud.
- Develop recommendations or remedial proposals if it is estimated that there are deficiencies or improvement points in CPH's organisation and in the allocation of responsibilities in the accounting functions.
- Obtain information from the Executive Board on whether control and risk management systems work efficiently and appropriately.
- Discuss with the external auditor about shortcomings and weaknesses in CPH's internal control and risk management system.
- Monitor the statement in the management's review or on the website about the main elements of CPH's internal control and risk management systems.

## **8 BUSINESS ASSURANCE REVIEW**

8.1 The Committee shall monitor CPH's Business Assurance Review. The duty includes:

- Monitor the independence of any external provider carrying out the Business Assurance Review.
- Monitor the annually updated Business Assurance Review plan.
- Assess significant Business Assurance Review reports.

- Monitor the Executive Board's follow-up on the conclusions and recommendations of the Business Assurance Review.

## **9 INTERACTION WITH THE EXTERNAL AUDITORS**

9.1 The Committee shall monitor the statutory audit of the annual accounts, etc. taking into account the results of the latest quality control of the audit company. The Committee shall verify and monitor the external auditor's independence and approve the external auditor's delivery of services other than audit. The Committee shall be responsible for the process of selection and appointment of the external auditor for election.

9.2 Fulfilling the overall duty of the Committee in relation to interaction with the external auditors, as described in 9.1, includes:

9.2.1 Monitor the statutory audit of the financial statements, etc.:

- Propose to the Board of Directors regarding the audit agreement and the associated audit fees.
- Monitor the external auditor's audit strategy and plan, etc., including the intended materiality level and the identification of significant risks prior to the commencement of the audit, as well as assess any changes thereto and the reasons for this.
- Monitor the results of the audit, including the external auditor's observations and conclusions disclosed in audit protocols and other reporting.
- Monitor the Executive Board's follow-up on the external auditor's conclusions and recommendations.
- Evaluate the collaboration between CPH and the external auditor, including on the basis of feedback from key persons in CPH related to the external auditor's performance.

9.2.2 Verify and monitor the external auditor's independence:

- Make a specific and critical assessment of the external auditor's independence, objectivity and competence, including by verifying compliance with current guidelines for rotation of audit company and rotation of key audit partners, and by monitoring the size and composition of fees for audit and other services, including compliance with the 70% limit for non-audit services.
- Establish procedures to ensure the external auditor's independence and objectivity.
- Proposal to the Board of Directors regarding the external auditor's delivery of non-audit services.



- Discuss threats to external auditor's independence with the auditor and the measures taken to address these threats, as documented by the external auditor.
- Authorisation of external auditor's performance of authorized non-audit services that are intended to be performed by the external auditor. For standard services, authorization may be granted to the Executive Board for the provision of authorized non-audit services.
- Develop guidelines for the execution of tax and assessment services that are permitted by the Auditor Act.

9.2.3 Responsible for the procedure for selection and appointment of the external auditor:

- Submit a recommendation to the Board of Directors regarding election of the external auditor at the general meeting.
- Evaluate whether the audit is put out to tender if a new external auditor is required or there is a requirement for tender and, if necessary, monitor the tender process, determine the criteria for the election of the external auditor, identify who must be invited to participate in the tender, monitor the tender documents, monitor company presentations and the process for this, as well as assess the received offers and their robustness.
- Propose to the Board of Directors regarding the choice of audit company, audit agreement and corresponding fee to the chosen company. For tender, submit a recommendation to the Board of Directors regarding a reasoned recommendation for the election of the external auditor, which shall contain at least two options with due reasons for the Committee's preference.

9.2.4 Monitor the latest quality control of the audit company:

- Monitor the results of the latest quality control in the transparency report issued by the audit company and in the report published by the Danish Business Authority on the results of the quality control carried out.
- Discuss the results of the latest quality control with the external auditor, including whether the PIE company has been subject to quality control and, where appropriate, the result of this.
- Based on this, consider whether this gives rise to special considerations, including request for replacement of the signatory auditor or the election of a new auditor.

## **10 RISK MANAGEMENT, SSEH AND INSURANCE COVERAGE**

10.1 The Committee is required to:

- Monitor CPH's risk management in the short and long term and recommend risk management policies for approval by the Board of Directors.
- Contribute to strengthen CPH's overall attitude towards risks.
- Monitor that risks are identified, accepted, eliminated, increased, reduced in accordance with the policies.
- Ensure that the Executive Board regularly reports to the Board of Directors on developments in the most important risk areas, including compliance with any policies adopted, impacts, etc.
- Monitor the Risk Management function and the Executive Board's follow-up on conclusions and recommendations from the Risk Management function.
- Monitor other matters in relation to risk management deemed necessary by the Committee, as well as other tasks that the Board of Directors may request the Committee to prepare or assess.
- Monitor CPH's insurance coverage and the statement by the Executive Board about whether the insurance coverage is deemed to be adequate.

10.2 The Committee will on each meeting monitor reports, proposals and key indicators in relation to Safety, Security, Environment and Health – areas in which CPH has a special exposure - and will make such recommendations to the Board of Directors as it considers appropriate.

## **11 OTHER ISSUES**

11.1 The Committee shall monitor other matters deemed necessary by the Committee, as well as other tasks that the Board of Directors may request the Committee to prepare or assess.

## **12 REPORTING AND EVALUATION**

12.1 The Committee shall prepare a report for the next meeting of Board of Directors summarizing the work performed by the Committee to fully discharge its duties.

12.2 The Committee shall report on the Committee's work in the annual report and financial reporting.

- 12.3 The Committee shall annually (i) conduct a performance evaluation of the Committee and report such evaluation to the Board of Directors, and (ii) evaluate the adequacy of this charter and recommend any proposed changes to the Board of Directors.

- 0 -

Adopted by the Board of Directors at the meeting held on 5 March 2019.