

Remuneration Report for Copenhagen Airports A/S 2020

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Introduction and Remuneration Governance

This remuneration report provides an overview of the total remuneration received by each member of the Board of Directors and of the Executive Management of Copenhagen Airports A/S, CVR no. 14 70 72 04 for the 2020 financial year with comparative figures for past financial years where relevant. The Remuneration Report is published on the CPH website.

The Executive Management consists of all executives registered as executives with the Danish Business Authority, currently the CEO, Thomas Woldbye. The Report has been prepared in accordance with section 139b of the Danish Companies Act.

Remuneration Governance

The remuneration of the Board of Directors and members of the Executive Management should contribute towards ensuring that CPH is able to attract and retain key skills to the Board of Directors and the Executive Management.

The principles for the remuneration of the Executive Management is documented in the Remuneration Policy which is prepared by the Remuneration Committee and the Board of Directors. The remuneration policy is approved by the Annual General Meeting.

At the Annual General Meeting in 2020 a revised remuneration policy was approved. The revision was focused on ensuring compliance to the new requirements in the Danish Companies Act section 139a. The proposed amendments were:

- Addition of a "buy-out" possibility with respect to variable remuneration arrangements
- New terms with respect to possibility for granting "stay on" bonus
- New terms with respect to remuneration related to recruitment including "sign on" / "buy out" arrangements
- Addition of the possibility for the Board of Directors for discretionary granting of variable remuneration subject to a cap equivalent to 12 months' base salary in extraordinary circumstances.

It is concluded that the 2020 remuneration is fully in compliance with the remuneration policy.

Company performance 2020 and the remuneration of Executive Management

The company financial performance 2020 is to a very large extent affected by the Covid-19 pandemic. The global travel restrictions have caused the lowest number of passengers in CPH for 50 year with a decrease in passengers of 75.1 %. The loss of passenger has therefore put significant pressure on the financial results.

The remuneration of the Board of Directors is fixed and is therefore not influenced by the company financial performance. Executive Management have a direct linkage between company results and remuneration through the short- and long term incentives schemes. Both short term and long term variable remuneration has paid out well below target.

Remuneration of Board of Directors

The Board of Directors are remunerated with fixed fees. The fee structure reflects differences in roles and responsibilities such that the remuneration of the Chairman is three times the base fee. Membership of the Audit and Risk Management committee has a separate fee. The deputy chairmen and the ordinary non independent directors elected by the general meeting have decided to waive remuneration in 2020 for their work related to their position as members of the board of directors and Audit and Risk Management Committee.

The remuneration of the Board of Directors is approved annually by the Annual General Meeting based on a proposal from the Board of Directors. The recommendation by the Board of Directors is based on market practice for other Large Cap companies. The fees in 2020 are unchanged compared to 2019. In the table below the actual fee are showed. On page 8 the annualized fees assuming the Board member held the position for the full year is showed to enable a more direct foundation for comparison.

Remuneration structure for the Board of Directors and the Audit and Risk Management Committee 2020 in DKK:

Chairman of the Board of Directors	990,000
Ordinary Directors	330,000
Staff-elected Directors	330,000
Members of the Audit and Risk Management Committee	165,000

Emoluments to the Board of Directors DKK mill.	2020			2019		
	Base Fee	Audit and Risk Management Committee	Total Fee	Base Fee	Audit and Risk Management Committee	Total Fee
Lars Nørby Johansen (Chairman of the Board since 2014)	1.0		1.0	1.0		1.0
David Stanton* (Member of the Board and Vice Chairman since 2011)	0.0		0.0	0.0		0.0
Ulrik Dan Weuder* Member of the Board and Vice Chairman since 2017)	0.0		0.0	0.0		0.0
Marlene Haugaard (Member of the Board until 2020)	0.1		0.1	0.3		0.3
Janis Kong (Member of the Board since 2012)	0.3	0.2	0.5	0.3	0.2	0.5
Charles Thomazi* (Member of the Board since 2015)	0.0		0.0	0.0		0.0
Martin Præstegaard* (Member of the Board since 2020)	0.0		0.0	0.0		0.0
Betina Hvolbøl Thomsen (Empl. Rep. - Member of the Board since 2019)	0.3		0.3	0.3		0.3
John Flyttov (Empl. Rep. - Member of the Board since 2015)	0.3		0.3	0.3		0.3
Dan Hansen (Empl. Rep. - Member of the Board since 2015)	0.3		0.3	0.3		0.3
Total emoluments to the Board of Directors	2.3	0.2	2.5	2.5	0.2	2.7

* The member of the Board of Directors has decided to waiver emoluments

Remuneration of the Executive Management

Remuneration governance

The Executive Management consist of the CEO, Thomas Woldbye. The remuneration of the Executive Management is reviewed and decided annually by the Board of Directors based on a proposal from the Remuneration Committee.

Composition of Remuneration structure

The remuneration structure for members of the Executive Management consist of the following components (see more detailed descriptions on the following page 7):

- Annual base salary
- Short- and long term incentives
- Market typical benefits including company car, defined contribution pension scheme etc.
- Possibility for “stay on”-arrangements (not used in 2020)

The composition and levels of the remuneration package is designed to ensure that:

- A competitive remuneration package is offered to attract, retain and reward key skills to achieve CPH’s strategic ambitions aligned with the sustainability and long-term interest of the company.
- Pay is linked to performance as a high proportion of total remuneration is contingent on achievement of stretched short- and long-term objectives which supports the achievement of the strategic priorities and the long term sustainability of the company.
- It promotes the long-term sustainability of the company by not promoting to excessive risk taking. This is achieved through a balanced mix of fixed and variable remuneration, and a balanced approach to performance objectives, both short term and long term.
- The remuneration framework is reviewed regularly to ensure that it continues to align with shareholders’ interest.

The 2020 remuneration is compliant with the remuneration policy and there has been no deviation from the policy. The remuneration is within the levels and thresholds defined by the remuneration policy and furthermore the basis for the remuneration is deemed in line with the remuneration policy as:

- short term performance objectives are balanced and reflect a triple bottom-line approach with focus on delivering on the strategic ambitions
- long term performance objectives are mainly financial with a direct linkage to shareholder value creation. In addition, the objectives focus on long term value creation and thereby the long term sustainability of the company.

Performance assessment

The evaluation of the short- and long-term incentive plans reflects to a high degree the negative impact of the Covid-19 pandemic. The non-financial part of the short term incentives plan was revised in the first half of the 2020 in order to better align with the significantly changed situation due to the pandemic. The adjustment has led to an increased focus on the financial performance and adjustments to the operational setup which is included in the company wide objective called Must Win Battles. The originally defined financial performance objective was not changed nor was the target adjusted to the changed expectations due to Covid-19. The short term incentive plan was evaluated at 57.33 % of max.

The long term incentive plan remained unchanged which has led to the financial performance part being evaluated at 0 %. The long term incentive plan is overall evaluated at 26.67 % of the maximum pay out.

The impact of the performance assessment is that variable remuneration for the CEO will decrease compared to 2019 by 42 % and the total remuneration will decrease by 18 %.

Remuneration to the Executive Management - Thomas Woldbye	2020		2019	
	Share of Total Remuneration	DKK mill.	Share of Total Remuneration	DKK mill.
Base salary	54%	5.3	44%	5.3
Short Term Incentives	23%	2.3	25%	3.0
Long Term Incentives	7%	0.7	18%	2.2
Benefits including pension contributions, company car etc.	16%	1.6	13%	1.6
Total	100%	9.9	100%	12.1
Total fixed	70%	6.9	57%	6.9
Total variable	30%	3.0	43%	5.2

Short Term Incentive Plan	Weight	Performance
Financial performance	20%	Below Target
Group Must Win Battles	60%	At Target
Aerodrome Safety	5%	Below Target
Occupational Safety	5%	Above Target
Leadership (individual)	10%	Above Target
Total	100%	57.33 % of max

Long term Incentive Plan	Weight	Performance
Accumulated NPAT	66.7%	Below Target
Strategic objectives	33.3%	Above Target
Total	100.0%	26.67 % of max

Remuneration component	Description	Details 2020	Compliance with the Remuneration Policy
Base Salary	Fixed cash salary with monthly payment. Annual pay review with effect from 1 May	Reflecting a market competitive level. No salary adjustment for 2020	Compliant to the policy
Pension	Defined contribution scheme	20.0 % of the annual base salary	Compliant to the policy (Pension and other benefits 25-30 % of base salary)
Short Term Incentives	The annual variable remuneration is based on company and individual objectives. Company objectives includes both financial and non-financials objectives. Payouts are in cash typically in March. There are no mandatory deferrals.	On target performance: 6 months salary Max performance: 9 months salary Performance assessment see page 6	Compliant to the policy as the "on target" value must not exceed 6 months salary and maximum payout must not exceed 9 months base salary. Objectives are broad based and inspired by a triple bottom-line approach. Objectives includes financial performance, safety/compliance, climate etc.
Long Term Incentives	The long term incentives scheme is a yearly performance cash scheme with a three year performance periode. There are no mandatory deferrals .	On target performance: 4 months salary Max performance: 6 months salary Performance objectives includes profit after tax and the successful delivery of a number of key strategic priorities and projects. Performance assessment page 6	Compliant to the policy as the on target value must not exceed 4 months salary and maximum payout must not exceed 6 months base salary. Performance objectives are mainly financial and have a particular focus on long term value creation.
Benefits	Typical benefits like: Company car, medical insurance and examinations etc.	Market competitive	Compliant to the policy (Pension and other benefits 25-30 % of base salary)
Other elements	Stay on arrangements	Not used	Compliant

Annual changes in remuneration and key performance indicators

DKK mill.	2020/2019	2020	2019
Annualised emoluments to the Board of Directors			
Lars Nørby Johansen	0.0%	1.0	1.0
David Stanton*	0.0%	0.0	0.0
Ulrik Dan Weuder*	0.0%	0.0	0.0
Charles Thomazi*	0.0%	0.0	0.0
Marlene Haugaard	0.0%	0.3	0.3
Janis Kong	0.0%	0.5	0.5
Martin Præstegaard*	0.0%	0.0	
Betina Hvolbøl Thomsen	0.0%	0.3	0.3
John Flyttov	0.0%	0.3	0.3
Dan Hansen	0.0%	0.3	0.3
Total emoluments to the Board of Directors	0.0%	2.7	2.7
Remuneration to the Executive Management - Thomas Woldbye			
Fixed remuneration**	0.7%	6.9	6.9
Variable remuneration **	-42.4%	3.0	5.2
Total remuneration to the CEO	-17.9%	9.9	12.1

* The member of the Board of Directors has decided to waiver emoluments

** Fixed remuneration consist of base salary and benefits. Variable remuneration consist of short- and long term incentives

DKK mill.	2020/2019	2020	2019
Operational expenses	-12.4%	1732.1	1977.4
Earnings Before Interests, Taxes, Depreciation and	-85.9%	201.2	1432
Net profit after tax	-162.5%	-638.1	1020.3
Total Remuneration for the average FTE	-1.1%	0.6	0.6

Board of Directors' statement on the Remuneration Report

The Board of Directors has today considered and adopted the Remuneration Report of Copenhagen Airports A/S for the financial year 2020.

The report has been prepared in accordance with section 139b of the Danish Companies Act.

The Remuneration Report will be presented to the Annual General Meeting 2021 for an indicative vote.

Copenhagen, 26 March 2021

Board of Directors

Lars Nørby Johansen
Chairman

David Stanton
Vice Chairman

Ulrik Dan Weuder
Vice Chairman

Charles Thomazi

Janis Kong

Martin Præstegaard

Betina Hvolbøl Thomsen
Employee representative

John Flyttov
Employee representative

Dan Hansen
Employee representative

Independent auditor's statement on the Remuneration Report

To the Shareholders of Københavns Lufthavne A/S

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

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

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements for 2020, it is, however, our responsibility pursuant to section 147 of the Danish Companies Act to verify that all disclosures required under section 139 b(3) of the Danish Companies Act are included in the Company's Remuneration Report for 2020.

We found no reason to point out any omissions with respect to the disclosures included in the remuneration report for 2020.

Hellerup, 26 March 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Brian Christiansen

State Authorised Public Accountant

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Søren Ørjan Jensen

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