

20 February 2015

**ARTICLES OF ASSOCIATION**  
**for Udviklingselskabet By & Havn I/S**  
**(CPH City & Port Development)**

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#### Appendix 1: Guidelines for the election of employees to the Board of Directors.

The partnership was founded by the Danish government represented by the Minister of Transport and the Municipality of Copenhagen pursuant to § 2 of Law no. 551 of 6 June 2007 on *Metroselskabet I/S* and *Arealudviklingselskabet I/S*.

These Articles of Association have been revised according to the Agreement in Principle of 27 June 2014 between the Municipality of Copenhagen and the Danish government represented by the Minister of Transport and Law no. 156 of 18 February 2015 on an amendment to the Law on a City Ring and the Law on *Metroselskabet I/S* and *Udviklingselskabet By & Havn I/S* (CPH City & Port Development).

#### 1. NAME

The name of the partnership is Udviklingselskabet By & Havn I/S (in English: CPH City & Port Development).

#### 2. REGISTERED OFFICE

The registered office of the partnership is the Municipality of Copenhagen.

#### 3. PURPOSE

The purpose of the partnership is to manage the development of the partnership's areas of land and to manage port operations in the Port of Copenhagen. The partnership will further manage the operation and maintenance of Ørestad Station on Kastrupbanen and the motorway ramps at Center Boulevard.

The partnership will additionally contribute to the financing of the following:

- 1) Extension of the City Circle Line with a branch line to Sydhavnen. This extension will be constructed by Metroselskabet I/S.
- 2) Extension of the City Circle Line with the construction of further metro stations on the branch line to Nordhavn. This extension will be

constructed by Metroselskabet I/S.

- 3) Construction of a connection to Nordhavnsvej. The connection will be constructed by the Municipality of Copenhagen.
- 4) Construction of a tunnel at Nordhavn. The tunnel will be constructed by the Danish Road Directorate based on a decision by the Municipality of Copenhagen.

The partnership may also conduct other business commercially related to land development and port operations.

The partnership is to be operated on a commercial basis with the greatest possible value creation and is to work to repay the debt with which the partnership is set up in order in the long term to generate profits for the owners which is to be shared in accordance with shareholdings in the partnership. Profits after required consolidation will be distributed to the owners.

The partnership may in whole or in part free of charge make available land for cultural purposes and leisure and recreational activities.

The partnership may with the consent of the partners set up subsidiaries or acquire shares in other limited liability companies in the course of its business activities, including other ports and companies outside Denmark.

The partnership may enter into commercial agreements etc. related to the partnership's business or activities.

The partnership and its subsidiaries may in extraordinary circumstances acquire property associated with the partnership's own properties if this should be deemed to have the overall effect of increasing value.

#### **4. BUSINESS STRATEGY**

The board of directors submits an updated business strategy to the partners for approval a minimum of every four years before the end of November. The next business strategy is due for submission before the end of November 2015.

This business strategy must set out:

- the strategy for future use of land, including physical planning requirements
- sales strategy, including principles for pricing with consideration for the overall supply and demand for land in the Copenhagen area
- strategy for the lease of properties and land
- strategy for parking activities
- strategy and principles for port operations
- financing strategy and risk profile pertaining to the partnership's debt

- guidelines and standards for return on investments

The business strategy must reflect the Agreement in Principle of 27 June 2014 entered into between the Danish government represented by the Minister of Transport and the Municipality of Copenhagen which resulted in Law no. 156 on the amendment to the Law on a Cityring and the Law on Metroselskabet I/S and Udviklingselskabet By & Havn I/S.

This legislation states that the partnership is to contribute to the financing of the following:

- 1) Extension of the City Circle Line with a branch line to Sydhavnen. This extension will be constructed by Metroselskabet I/S.
- 2) Extension of the City Circle Line with the construction of further metro stations on the branch line to Nordhavn. This extension will be constructed by Metroselskabet I/S.
- 3) Construction of a connection to Nordhavnsvej. The connection will be constructed by the Municipality of Copenhagen.
- 4) Construction of a tunnel at Nordhavn. The tunnel will be constructed by the Danish Road Directorate based on a decision by the Municipality of Copenhagen.

The partnership will free of charge make available the areas of land owned by the partnership for the project set out above in (1)-(4). Reference is also made to the notes to the Law.

In addition to the business strategy submitted to the partners, an updated long-term, operating, liquidity, reinvestment and investment budget must likewise be submitted. The budget must include the anticipated repayment date of the partnership's debt.

Should the estimated budget for the partnership's financial position be significantly reduced, the partners will determine how to proceed. This may take place after submission to the respective subsidising political authorities, if applicable.

## **5. OWNERSHIP AND LIABILITY**

The partnership is owned by the Municipality of Copenhagen, which owns 95%, and the Danish government represented by the Minister of Transport, which owns 5%.

The partners have personal, unlimited and joint liability to third parties for the obligations of the partnership. Profits and losses are distributed in accordance with the shares of the partners in the partnership.

## **6. THE PARTNERSHIP'S CAPITAL**

The partnership capital on the date of founding constitutes DKK 450,564,000 as stated in the opening balance.

The partnership is able to take out loans for the financing of the partnership's activities.

## **7. PARTNERSHIP MEETINGS**

### **7.1 General information**

The partners exercise their authority at partnership meetings.

The partnership meeting at which the annual report is discussed is called the ordinary partnership meeting. Other partnership meetings are called extraordinary partnership meetings.

### **7.2 Decisions**

All decisions at the partnership meetings require agreement between the partners.

The partners have the authority to make decisions on all matters pertaining to the partnership with the exception of decision on higher distribution than recommended by the board of directors and decisions pertaining to the appointment and dismissal of the management. Decisions on the appointment and dismissal of the management are taken by the board of directors after prior notification to the partners, cf. point 11.

The following decisions must be submitted by the board of directors to the partners at a partnership meeting:

- Amendments to the partnership's Articles of Association
- Payment of dividends
- Potential capital injection
- Annual report
- Determination of remuneration for Members of the Board
- Business strategy

If a decision has been adopted between the partners, the partners jointly inform the board of directors of their decision.

The board of directors is under obligation to comply with the decision of the partners.

### **7.3 Participants**

In addition to representatives of the partners, the chairman and deputy chairman of the board of directors may participate in partnership meetings unless the partners decide otherwise.

The partnership accountants also take part in the partnership meeting at which the annual report or other reports etc. certified by an accountant are discussed. The accountants must be present at other partnership meetings if the board of

directors, a board member, a director, an accountant or a partner should request it.

The partners decide on the extent to which other members of the board, members of the management or others should participate in partnership meetings. The persons set out above who in addition to the partners participate in partnership meetings are entitled to speak, but are not entitled to vote.

The partnership meetings are open to the media unless the partners decide otherwise. The partners decide to what extent the media are entitled to record or film the meeting.

The partners may attend the partnership meeting represented by an administrative officer.

The partners or administrative officers may attend the partnership meeting accompanied by an advisor.

## **7.4 Partnership meetings**

### **7.4.1 Time and place**

Partnership meetings must be held at the partnership's registered office a minimum of once annually unless the partners agree to hold the meeting elsewhere.

Ordinary partnership meetings at which the annual report is submitted must be held before the end of April of each year.

Extraordinary partnership meetings must be held when a partner, the board of directors, the chairman of the board, the deputy chairman of the board or an accountant deems this to be expedient in order to discuss a certain matter. Extraordinary partnership meetings must be called within two weeks of a written request for a partnership meeting having been received. Notice of such a meeting must state the matter to be discussed.

### **7.4.2 Notice**

Partnership meetings are called by the board of directors. Notice of a partnership meeting must be given by letter to the partners a minimum of 14 days and a maximum of four weeks in advance. Notice of a meeting must be submitted to the Danish Business Authority at the same time as notices are sent to other participants in the meeting.

### **7.4.3 Agenda**

The notice must include an agenda for the partnership meeting containing all the proposals to be discussed at the partnership meeting. For extraordinary partnership meetings, the reason for the meeting must likewise be stated. For ordinary partnership meetings, the notice must further state proposals for the remuneration of board members for the coming year and be attached to the partnership's annual report.

Matters or proposals for discussion at an extraordinary partnership meeting must, in addition to the matter that must be stated in the request for an

extraordinary partnership meeting, have been received by both partners no later than a week prior to the meeting.

Decisions cannot be made on matters that have not been included on the agenda for a partnership meeting. Instead, an extraordinary partnership meeting must be called to discuss this matter.

The partners separately have the authority to require a matter submitted for decision at an extraordinary partnership meeting with the exception of the appointment and dismissal of the management and decisions on higher distribution than proposed by the board of directors.

If proposals to amend these Articles of Association are to be discussed at the partnership meetings, the full wording of the proposal must be stated in the notice of the meeting.

#### **7.4.4 Electronic partnership meeting**

The board of directors may decide that as a supplement to a physical partnership meeting, the partners should be able to participate electronically in the partnership meeting. This includes voting electronically, without being physically present at the partnership meeting.

The board of directors may determine the requirements for the electronic systems to be used in a partial or full partnership meeting. The notice of the partnership meeting must include information on these arrangements. The notice must likewise state how the partners are to register for electronic participation and where to find information on how to proceed with electronic participation in the partnership meeting.

The board of directors must likewise ensure that an electronic partnership meeting can be adequately conducted.

#### **7.4.5 Minutes**

Minutes are taken of the partnership meeting which must be signed by both the chairman of the board and the partners. Within two weeks of the partnership meeting, the minutes or a verified print-out of the minutes must be available at the partnership's registered office. No later than on this date, a verified print-out of the minutes must be submitted to the Danish Business Authority.

## **8 BUDGET, QUARTERLY REPORTS AND QUARTERLY MEETINGS**

### **8.1 Budget**

No later than on 31 December, the partnership must submit a budget for the coming year to the partners. The budget must include an operating, investment and liquidity budget.

### **8.2 Quarterly reporting and reports**

The board of directors submits quarterly reports to the partners no later than five weeks after the end of the first and third quarters. Separate deadlines are set for the submission of the annual and half-yearly reports.

The annual, half-yearly and quarterly reports must inform the partners of the developments in the partnership's activities over the preceding period and describe how these developments compare to the partnership's business strategy, long-term budget and annual budget.

The annual report must include an update of the partnership's long-term budget and an assessment of the partnership's properties.

The partners must after discussion with the chairman of the board determine detailed guidelines for the contents of the quarterly report.

### **8.3 Quarterly meeting**

Before the end of January the chairman of the board must submit an annual plan for the organisation of meetings for the discussion of the quarterly reports (below referred to as quarterly meetings). The quarterly meetings are held three to four weeks after the submission of the half-yearly and quarterly reports.

All partners are entitled, but not under obligation, to participate in quarterly meetings. The chairman of the board and the deputy chairman, if applicable, participate in quarterly meetings. The partners decide on the extent to which members of the board, members of the management and others are to participate in quarterly meetings.

Decisions cannot be taken at quarterly meetings. If the partners wish to take a decision on the basis of a quarterly report, an extraordinary partnership meeting must be called according to the rules set out in point 7.4.1 above.

Minutes must be taken of the quarterly meetings and are to be signed by the chairman of the board and the participating partners. A copy of the minutes is sent to the partners.

## **9. THE BOARD OF DIRECTORS**

### **9.1 Composition**

The board of directors comprises 8 members who are appointed/elected as follows:

- 2 members of the board are appointed by the Danish government represented by the Minister of Transport
- 4 members of the board are appointed by the Municipality of Copenhagen
- 2 members of the board are elected by and from among the employees of the partnership, cf. Appendix 1.

### **9.2 Election and appointment of members**

Members of the board are appointed/elected for a period of four calendar years.

Members of the board appointed by the Municipality of Copenhagen are appointed for a four-year period which follows the municipal election period.

Members of the board appointed by the Danish government are likewise appointed for a four-year period. These appointments should generally take place at the ordinary partnership meeting which is generally held in April.

If a member of the board is replaced during an election period, the new member's election period will expire on the date on which the election period of the previous member of the board would have expired.

Reappointment/re-election is possible.

The election of employees to the board of directors takes place according to the guidelines contained in the appendix to these Articles of Association.

A member of the board may at any time be dismissed by the party that has appointed the member.

### **9.3 Chairman and deputy chairman of the board**

The chairman and deputy chairman of the board are appointed by the partners from among the board members appointed by the partners so that each partner has one member of the chairmanship.

The chairman of the board should possess commercial and managerial expertise and insight into societal and commercial matters.

### **9.4 Remuneration**

Remuneration of the members of the board is determined by the partnership at the ordinary partnership meeting, cf. point 7.4.3 above, with due consideration for the nature of the position and the anticipated scope of the work.

### **9.5 Other tasks**

The members of the board appointed by the partners may not carry out tasks for the partnership that do not form a natural part of the work required by a member of the board with the exception of one-off tasks that the member may be requested to carry out by the board of directors.

### **9.6 Responsibilities**

The board of directors handles the general and strategic management of the partnership, including monitoring of the management's handling of the general management and ensures the prudent organisation of the activities of the partnership.

The board of directors takes decisions on all significant matters, including on the general organisation of the activities of the partnership within the guidelines set out in these Articles of Association, the business strategy or otherwise required by the partners.

The responsibilities of the board of directors include:

- Preparing quarterly reports, annual reports, long-term budgets etc. for the partners according to the guidelines set out by the partners.

- Ensuring the prudent organisation of the activities of the partnership, deciding whether the partnership's financial resources are at all times adequate for the operation of the partnership and monitoring that accounting, asset management and compliance with legislation are checked in such a way that is satisfactory for the activities of the partnership.
- Preparing a business strategy that includes general guidelines for land use, land development, land sale, pricing, port operation, leasing etc., investment strategy, incl. standards for returns on investments and risk profiles as well as financing strategy for the partnership's debts. The board of directors may with the consent of all partners enter into an agreement on third party management of the partnership's finances, including taking out loans.
- Handling standard portfolio management pertaining to the partnership's loans etc. within the financial framework that the partners have approved of in the business strategy and/or in the expansion of budgets or activities.
- Appointing and dismissing the management, including setting out management employment terms. The partners must be notified of this in advance.
- Preparing instructions for the management that specify the responsibilities of the management and the distribution of such responsibilities and guidelines for reporting and submission of decisions to the board. These instructions must be submitted to the partners for information.
- Briefing the partners on matters pertaining to the activities of the partnership which are of great financial or political significance, including events that entail significant deviation from previously announced financial results and the adopted business strategy.

### **9.6.1 Rules of procedure**

The board of directors produce rules of procedure that detail their responsibilities. The rules of procedure are sent to the partners for information. The rules of procedure must as far as possible be in accordance with the provisions contained in the Danish Companies Act for governmental limited companies and in accordance with these Articles of Association. The rules of procedure must be submitted to the Danish Business Authority within four weeks of their adoption by the board of directors.

## **9.7 Board meetings and decisions**

### **9.7.1 General information on board meetings**

The chairman of the board, and in the chairman's absence the deputy chairman, lead the work of the board and occasion the call for board meetings when required.

Board meetings are held at the request of a board member, a director or an accountant.

The board of directors meets a minimum of once a quarter.

### **9.7.2 Participants**

The management participates in the board meetings and are entitled to speak unless the board of directors decides otherwise on a case-by-case basis. The accountants of the partnership participate in board meetings at which the board discusses the annual report, additions to the accountancy minutes or other declarations etc. that are signed by the accountants and when one of the accountants, a board member or director should request it. The board of directors take a decision on a case-by-case basis on who should otherwise attend board meetings.

### **9.7.3 Quorum**

The board of directors forms a quorum when more than half of all members are present and when the chairmanship and members of the board appointed by both partners are represented. Decisions cannot, however, be taken without all members having had access to participating in the discussion of the matter.

### **9.7.4 Authorisation**

A member of the board may in exceptional cases authorise another member to act on his behalf if the chairman finds that this is expedient in discussing the matters concerned.

### **9.7.5 Audit minutes**

Audit minutes are submitted to each board meeting. Addition to the minutes must be signed by all members of the board. If a member of the board is absent at a board meeting at which the audit minutes have been submitted with an addition, it must be ensured that the board member is made aware of the audit minutes. Absent members are under obligation to sign the audit minutes immediately after the board meeting at which the minutes have been signed by the other board members.

### **9.7.6 Minutes**

Minutes must be taken of board negotiations according to the board's instructions. A copy of the minutes must be sent to the members of the board with a request to raise any comments within a set timeframe. The minutes must be signed at the first meeting by all board members present. Absent board members are under obligation to sign the minutes immediately after the board meeting at which the minutes have been signed by the other board members.

A board member or a director who does not agree with a decision made by the board is entitled to have his objection inserted in the minutes.

### **9.7.7 Written and electronic discussions and meetings**

Board meetings may at the chairman's discretion be held in writing or with the use of electronic media. A member of the board or management may, however, demand that a verbal discussion take place.

The chairman of the board may further decide to use electronic document

exchange and e-mail at an electronic board meeting in place of submission of documents in hard copy.

### **9.7.8 Board decisions**

Board decisions are made by simple majority unless a special majority is required by these Articles of Association. In the event of parity of votes, the chairman has the casting vote.

Important decisions are adopted with a qualified majority consisting of at least the three members appointed by the Municipality of Copenhagen and the two members appointed by the Danish government. Important decisions further require agreement by the chairmanship.

'Important decisions' means decisions about the partnership's business strategy, budget, accounts, dividends and new large construction projects.

Decisions must be submitted to the partners at a partnership meeting for adoption as described under point 7.2.

The following decisions require that the board a minimum of 14 days in advance or in exceptional circumstances with shorter notice if special circumstances should warrant it notify the partners in writing of recommendations for a board decision so that an extraordinary partnership meeting can be called if the partners should require it:

- Decisions that by the board chairmanship are deemed to be of special interest to the partners
- Decisions that are a consequence of and/or entail significant changes to the assumptions on which the decisions made by the partners are based, cf. point 7.2

The board may, however, make a decision without complying with the rules that stipulate that the partners must be notified if the board cannot wait for the partners' decision without significant detrimental effect on the partnership. The board must immediately thereafter notify the partners.

The chairman and the deputy chairman are entitled jointly and separately to require any decision by the board postponed with a view to submitting it to the partners at an extraordinary partnership meeting.

If a decision has been made between the partners, the partners must jointly inform the board of their decision.

The board is under obligation to comply with the partners' decision.

## **10. NOTIFICATION TO THE PARTNERS**

### **10.1 The board's notification to the partners**

The partners must be notified of the partnership's status and development and other important matters at partnership meetings on the publication of the quarterly reports and at quarterly meetings, cf. points 7 and 8. Additionally, the board may

notify the partners by sending out written notification if the matter cannot await the calling of a partnership meeting or quarterly reporting.

The board must further make available on request information about the partnership's activities to the partners unless this is in contravention of mandatory provisions contained in legislation.

The board must make available the same information to both partners so that the partners are in possession of the same information about the partnership.

The board is under obligation to notify the partners of matters pertaining to the activities of the partnership which are of financial, political or strategic significance, including events that entail substantial deviation from previously announced financial results, significant changes to the strategy of the partnership and decisions with wide-ranging strategic impact. Such notification may take place at partnership meetings, in quarterly reports, at quarterly meetings or by written notification to the partners.

Notification to the partners must as far as possible take place in such good time that the partners have the required time to assess the matter.

## **10.2 Board members' notification to the partners**

The board members who have been appointed by the partners have a right to inform the entity who has appointed the board member of decisions that have been made or will be made by the board.

## **11. MANAGEMENT**

### **11.1 General information**

To handle the partnership's general management, the board appoints a management that must consist of one to three members. The partners must be notified of this appointment in advance.

The board prepares a management instruction and determines the distribution of responsibilities among the members of the management team if it consists of more than one member.

### **11.2 Responsibilities**

The management handles the general management of the partnership and must thereby follow the guidelines and instructions that the board provides. The general management does not include dispositions that in terms of the partnership are of an unusual kind or of great significance.

The management must ensure that the preparation of the partnership's accounts takes place in compliance with applicable legislation and that assets are managed prudently.

## **12. NOTIFICATION OF EMPLOYEES**

The board is responsible for ensuring that good and efficient information channels

are in place for the company's employees to inform them of the partnership's activities.

The board determines the information channels that according to the partnership's circumstances and the nature of the information are the most practical. Information may e.g. be provided by the board through the management and the works committee.

### **13. POWER TO BIND THE PARTNERSHIP**

The partnership is bound by the chairman or the deputy chairman of the board jointly with either a member of the management or a board member or by the entire board.

The board may announce authority to bind the company in accordance with Danish legislation on commercial companies.

### **14. INCAPACITY**

The provisions contained in the Danish Public Administration Act apply to the incapacity of board members and directors.

Board members are under obligation to inform each other of all matters that may give rise to a discussion of incapacity.

The management is under obligation to inform the board of all matters that may give rise to a discussion of incapacity.

### **15. CONFIDENTIALITY**

The members of the board and management are bound by confidentiality. Confidentiality does not apply as regards the partners to information that they are entitled to in their capacity as owners. As regards the partners, confidentiality applies to information about contracting parties' and negotiation partners' personal or purely internal matters. If the partners receive confidential information from members of the board, the partners are bound by confidentiality.

### **16. OPENNESS ON MATTERS PERTAINING TO THE PARTNERSHIP**

The Danish Access to Public Administration Files Act on openness in administration, the Danish Access to Public Administration Files Act and the Act on the Danish Parliament's Ombudsman apply to the activities of the partnership.

The partnership is registered with the Danish Business Authority and is subject to the same regulations as limited government-owned companies to the extent that these have not been derogated from in these Articles of Association.

The partnership must as soon as possible inform the Danish Business Authority of significant matters pertaining to the partnership which may be assumed to impact on the partnership's future, employees, partners and creditors. The Authority must further be informed of significant matters pertaining to the group which may be assumed to affect the company's future, employees, stakeholders

and creditors.

These Articles of Association and minutes of the partnership meetings must be made publicly available on the partnership website.

The partnership must no later than 14 days prior to the partnership meeting at which the annual report is submitted send a copy of the annual report to those representatives of the media who may request it and publish the annual report on the partnership website.

## **17. ANNUAL REPORT, HALF-YEARLY REPORT AND QUARTERLY REPORTS**

The partnership's financial year corresponds to the calendar year. The first financial year runs from 1 January 2007 to 31 December 2007.

As a partnership, By & Havn is subject to the provisions of the Danish Annual Accounts Act on the submission of an annual report for companies in accounting class A with the modifications resulting from the special nature of a partnership and the Law on Metroselskabet I/S and Arealudviklingselskabet I/S. The annual and half-yearly reports must be submitted in compliance with the above.

With a view to creating the same transparency and level of information on the accounts as in limited government-owned companies, By & Havn must apply factoring and measurement criteria and note information etc. according to the regulations for companies in accounting class D for limited government-owned companies that are not listed.

Group accounts are not required.

Alternatively, the partnership may on agreement with and with the consent of the owners submit accounts according to IFRS (International Financial Reporting Standards).

The annual report must with a view to publication be submitted to the Danish Business Authority without undue delay after having been approved by the partners. The Danish Business Authority must be in receipt of the annual accounts no later than on 30 April of the following financial year.

The half-yearly report must with a view to publication be submitted to the Danish Business Authority so that the Danish Business Authority is in receipt of the half yearly report no later than on 31 August in the financial year concerned.

Quarterly reports must be published on [www.offentlige-selskaber.dk](http://www.offentlige-selskaber.dk).

## **18. ACTIVITY ACCOUNTS**

The partnership must with a view to avoiding discrimination, cross-subsidy and anti-competitive practices keep separate accounts for activities subject to competition, activities not subject to competition and financial activities. The partnership must further prepare separate tax accounts for its commercial activities.

To ensure the above, the partnership's board of directors prepares

accounting rules for the partnership which are to be approved by the partners.

## **19. AUDIT**

The partnership's annual report is audited by the Auditor General of Denmark and an auditor appointed by the Municipality of Copenhagen.

The partnership is subject to § 2, sub-section 1, no. 4 of the Auditor General Act and auditing is carried out according to good public auditing practice pursuant to § 3 of the Auditor General Act which includes financial auditing, legal-critical auditing and asset management auditing.

If the auditor appointed by the Municipality of Copenhagen withdraws, the Municipality must appoint a new auditor no later than eight days from the date of the partnership being notified of the withdrawal.

The Auditor General and auditor must keep a joint audit minute book. All additions to the book must be sent by the Auditor General to the members of the board simultaneously.

The Auditor General may report on the audit to the state auditors on their request and of his own accord. Draft reports for the state auditors must be submitted to the Minister who must include the partners and board of Udviklingsselskabet By & Havn I/S. The Auditor General and the auditors appointed by the Municipality submit a joint note to the annual report.

## **20. AMENDMENT OF ARTICLES OF ASSOCIATION**

These Articles of Association may only be amended by unanimous decision by the partners.

Thus established at the founding of the partnership on 26 October 2007 and subsequently at an extraordinary partnership meeting on 14 May 2008, ordinary partnership meeting on 29 April 2011, ordinary partnership meeting on 13 April 2012 and extraordinary partnership meeting on 20 February 2015.

The Danish government:

[signature]

The Municipality of Copenhagen:

[signature]

**Appendix to the Articles of Association for Udviklingselskabet By  
& Havn I/S (CPH City & Port Development)**

**Guidelines to the election of employees  
to the Board of Directors of Udviklingselskabet By & Havn I/S**

**Employee representation**

**§ 1**

Pursuant to § 17 of Law no. 551 of 6 June 2007 on Metroselskabet I/S and Udviklingselskabet By & Havn I/S, the Board of Udviklingselskabet By & Havn I/S consists of eight members of whom two are elected from among the employees at Udviklingselskabet By & Havn I/S.

**§ 2**

Employee representatives are elected for a period of four years.

**§ 3**

All employees employed by Udviklingselskabet By & Havn I/S are entitled to vote.

An employee means any person above the age of 18 who carries out work as an employee unless that person:

- 1) is registered with the Danish Business Authority as a member of the management, or
- 2) works permanently outside the territory of Denmark.

The territory of Denmark includes Danish ships and the Danish section of the continental shelf.

**§ 4**

Any employee who is eligible to vote, is of age and has been employed with the partnership for the past 12 months is eligible for election.

**The election committee**

**§ 5**

The election committee is made up of representatives of the employees and the

management. The majority of the members of the election committee must be representatives of the employees and at least one member must be a member of the board or management.

Representatives of the employees are elected from among the partnership's employees by employee representatives in the partnership's works committee. The remaining members are elected by the board.

If a works committee does not exist, the board appoints employee representatives from among the partnership's employees. If trade union representatives have been elected, these must be represented, if possible.

Employees nominated for election or re-election to the board cannot be appointed or remain as members of the election committee.

If a member withdraws from the election committee, the member must notify the election committee of such withdrawal. The election committee must then ensure that a new member is appointed in accordance with the rules contained in § 1-3.

## **§ 6**

The election committee appoints its own chairman.

The election committee makes decision by simple majority. In the event of parity of votes, the chairman has the casting vote.

## **§ 7**

The election committee prepares minutes in which all significant matters, including the contents of all announcements, decisions, votes and election results, must be stated.

The minutes are available to the partnership's management, stakeholders and employees and to applicable public authorities.

The minutes must be signed by the members of the election committee and must be kept for a minimum of five years.

## **Elections**

### **§ 8**

After negotiation with the board, the election committee determines the date of the election and ensures that all employees are reasonably informed of the date.

The election committee announces the election date to the employees no later than six weeks and no more than ten weeks prior to the set election date.

The announcement of the election date must include:

- 1) information on the number of company representatives to be elected and
- 2) call for proposals from the employees for persons standing for election as

company representatives. This call must state the number of candidates to be elected and the deadline for the submission of proposals. This date must be at least four weeks prior to the election date.

The election committee must at the same time as the announcement of the election date prepare a list of employees who are eligible to vote on the date of the announcement. This list must be made available to all employees.

#### **§ 9**

The election committee examines and determines whether the proposed candidates are eligible for election and whether they are willing to stand for election.

The election committee must inform the proposed candidates that they are only eligible to stand as company representatives to be elected by the employees and that they cannot simultaneously be board members appointed by the partners.

Candidates recruited as company representatives are stated on a list. This list must be announced to the company's employees no later than two weeks prior to the election date.

#### **§ 10**

If the deadline arrives for the nomination of candidates as company representatives and fewer candidates than the number required for election have been nominated, the election cannot be held.

The election committee postpones the election with a view to nominating the required number of candidates within the deadlines described above. The election must take place prior to the ordinary partnership meeting.

#### **§ 11**

The election committee has ballot papers printed on which the candidates' names are stated in alphabetical order.

Ballot papers must contain information on the candidates' name, home address, function, positions of trust within the company and the number of votes that may be cast, cf. § 13. Additional information may not be printed on the ballot papers.

#### **§ 12**

In the event of doubt, the election committee determines whether the conditions for eligibility to vote have been met.

#### **§ 13**

Elections are in writing and secret. Each employee may vote for two candidates.

If votes have been cast for more than two candidates or it is unclear for whom the voter has voted or if other names have been inserted or corrections made to the ballot paper, the ballot paper will be deemed invalid. In the event of doubt, the election committee decides whether a ballot paper is invalid.

#### **§ 14**

The candidates winning the most votes are elected as company representatives.

In the event of parity of votes between two or more candidates, the election committee decides the election by drawing lots.

#### **§ 15**

If at the expiry of the deadline for nomination of candidates for election as company representatives only the number of candidates to be elected has been nominated, an election will not be held. Instead appointment will take place as an uncontested election, if all the nominated candidates agree to such an uncontested election.

An announcement is made no later than two weeks before the set election date and the nominated candidates are thereby regarded as having been elected.

#### **§ 16**

The election result and the names and home addresses of the elected candidates are added to the minutes of the election committee, cf. § 7, and the board and elected candidates are without delay notified in writing. The employees are likewise informed.

#### **§ 17**

Ordinary election of company representatives takes place every four years.

The initial term runs from the founding of the partnership to 31 December 2009. Hereafter terms follow the municipal election period.

The election of company representatives must be complete prior to the expiry of the previous term so that the company representatives are able to take their place on the board at the commencement of the new term on 1 January.

#### **§ 18**

Newly elected company representatives take their place on the board at the commencement of their term on 1 January. If the new company representatives in exceptional cases should not be able to take up their place at the commencement of their term, the existing company representatives will continue in their positions until the newly elected representatives are able to take up their places on the board.

New company representatives must be registered with the Danish Business Authority.

### **By-elections and early elections**

If a company representative

- 1) is deposed by employees, cf. § 3,
- 2) is no longer employed by the company,
- 3) him/herself withdraws from the board, or
- 4) dies.

### **§ 19**

a by-election is held for a new company representative for the remaining term according to the provisions contained in § 8-15.

In the event of a by-election, 10% of the company's employees are entitled to require that elections are held for all company representatives for the remaining term. A request for this must be submitted no later than four weeks prior to the election date of the by-election.

Voting on deposing a company representative must be commenced if a request for this has been made by

- 1) a majority of employees on the company's works committee
- 2) interest groups in the company, e.g. clubs and staff organisations which represent a minimum of 10% of the company's employees
- 3) 10% of the company's employees.

The election committee handles voting procedures. The decision to depose a company representative requires that a simple majority of the participants in the election have voted in favour.

### **Protection**

### **§ 20**

Company representatives are protected against dismissal and other reduction of their circumstances in the same way as trade union representatives in the area or equivalent professional area are.

Disputes about the protection under sub-section 1, including the question of which rules to apply and on breach or interpretation of the rules, must be settled according to labour legislation, cf. § 22 of Law no. 183 of 12 March 1997 on labour law.

## **Rights, obligations and responsibilities**

### **§ 21**

Company representatives have the same rights, obligations and responsibilities as the other members of the board.

## **Election costs**

### **§ 22**

Costs associated with the election of employee representatives and briefing of the employees are defrayed by the company.

The election committee may not incur unusual or large costs without the prior consent of the board.

## **Initial election**

### **§ 23**

When employee representatives are initially elected, the rules above apply with the following amendments.

### **§ 24**

On its founding, Udviklingsselskabet By & Havn I/S takes over the employees from Ørestadsselskabet I/S, Frederiksbergbaneselskabet I/S and Københavns Havn A/S. All these employees who meet the conditions set out in § 3 are eligible to vote for the board on condition that they are employed in Udviklingsselskabet By & Havn I/S on the election date.

Other employees, cf. § 3, in Udviklingsselskabet By & Havn I/S are eligible to vote for the board on condition that they are employed in Udviklingsselskabet By & Havn I/S on the election date.

### **§ 25**

Employees are eligible for election to the board if they are eligible to vote, cf. § 24, and if they no later than a week prior to the election date have notified the partners that they are standing for the election.

### **§ 26**

The election takes place as soon as possible after the signature of the founding document of Udviklingsselskabet By & Havn I/S.

### **§ 27**

All employees in Udviklingsselskabet By & Havn I/S must be notified as soon as

possible about the date of the election, that they are eligible to stand and how to notify the partners that they are standing according to § 25.

New employees in Udviklingselskabet By & Havn I/S must be informed of this when they join the company.

The election takes place where this is stated in the notification from the partners. Voting is voluntary and secret and takes place in person. Employees are provided with a ballot paper listing the names of the candidates.

#### **§ 28**

The first employee representatives may be elected for a shorter period than four years, cf. § 17.

#### **§ 29**

At the initial election, the election committee consists of the board members who have been appointed by the partners. When an election committee has been appointed according to the rules contained in § 6-7, the nominated board members are entitled, but not under obligation, to leave matters from the first election to the new election committee.