

# **Auditor Independence Policy**

**N.V. Luchthaven Schiphol**

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## **1 Objective of this policy**

The objective of this policy is to maintain the independence of N.V. Luchthaven Schiphol's (hereafter 'Schiphol Group') External Auditor and to ensure that Schiphol Group complies with all applicable laws and regulations relating to the independence of the External Auditor. This policy governs how and when Schiphol Group may engage the External Auditor.

## **2 Principles underlying policy**

The policy requires the External Auditor to be independent in accordance with the 'Verordening Gedragscode' of the Royal Dutch Institute of Register Accountants including the Nadere voorschriften inzake onafhankelijkheid van de openbaar accountant (ex artikel B1-290.1 VGC, the Directive 2006/43/EC of the European parliament and of the council (8th Company law Directive of 17 May 2006), the European Commission Recommendation on Statutory Auditor's independence in the EU (issued May 2002) and the Code of Ethics of the International Federation of Accountants ('IFAC') issued in July 2005. These rules are based on the principles that (1) an external auditor must be independent of the audit client, both in fact and in appearance, and (2) an external auditor is one that in light of all relevant facts and circumstances is capable of exercising objective and impartial judgement on all issues encompassed within its engagement.

## **3 Policy statements**

### **3.1 Appointment**

The appointment of the External Auditor will be for an indefinite period of time with a review every two years by the Audit Committee to assess the following against a service level agreement:

- Audit Services provided;
- quality of audit service;
- value for money;
- customer satisfaction; and,
- controls and procedures to maintain External Auditor's independence.

The Audit Committee will communicate to the Supervisory Board on the results of the Audit Committee's assessment. The main conclusions of this assessment shall be communicated to the Annual General Meeting of shareholders by the Supervisory Board.

The annual Audit Services engagement, terms and fees will be subject to the approval of the Audit Committee. The Audit Committee will monitor the Audit Services engagement as necessary, but no less than on an annual basis, and will also approve, if necessary, any changes in terms, conditions and fees resulting from changes in audit scope, Schiphol Group's structure or other items.

### **3.2 External Auditor Services**

Schiphol Group including its subsidiaries will only engage the External Auditor to provide services in cases where these services do not conflict with the External Auditor's independence. The External Auditor should not have mutual or conflicting interest with Schiphol Group, should not audit its own work, should not act as management or an employee of Schiphol Group and should not act as an advocate for Schiphol Group.

In addition to Audit Services, the External Auditor may provide Audit-related Services, Tax Services and Other Services under the conditions in this policy. Schiphol Group will not engage the External Auditor for certain Prohibited Services (reference is made to paragraph 10.7).

### **3.3 Approval of services**

The Audit Committee is required to approve all services performed by the External Auditor in order to assure that they do not impair the auditor's independence from Schiphol Group. The External Auditor may only be engaged if the engagement has been generally approved or is specifically pre-approved by the Audit Committee. The Audit Committee will consider whether such services are consistent with all applicable regulations on auditor independence.

The Audit Committee will be mindful of the relationship between fees for Audit, Audit-related, Tax and Other Services in deciding whether to approve any such services and will monitor, for each fiscal year, the relation between the total amount of fees for Audit and Audit-related Services and respectively the total amount of fees for all other permissible Tax and Other Services. As a general rule, the total fees for Tax and Other Services shall not exceed the total fees for Audit Services without the specific approval of the Audit Committee.

The appendices to this policy describe the Audit Services, Audit-related Services, Tax and Other Services that have been approved (by 'General Approval') by the Audit Committee. The Audit Committee may revise the list of General Approved services and amounts from time to time, based on subsequent determinations.

All engagements of the External Auditor need to be approved by the Chief Financial Officer. The specific terms and conditions of the services provided by the External Auditor will be agreed by the Chief Financial Officer.

### **3.4 Rotation of audit partners**

Schiphol Group requires its External Auditor to provide an appropriate balance between effectiveness and efficiency, e.g. audit costs, risk management, independence and credibility.

Rotation of the audit engagement partner (legally; 'de externe accountant') is required in accordance with the Wet Toezicht Accountants ('Wta'), after a maximum period of seven years from the appointment date into this position. The audit engagement partner may not return to the Schiphol Group audit engagement team for a minimum period of two years from the date of their rotation off the Schiphol Group engagement team.

### **3.5 Hiring arrangements**

Schiphol Group and the External Auditor agreed upon a restricted hiring policy. Schiphol Group will not hire or appoint the lead partner, the quality review partner or any other partner of the External Auditor's audit engagement team involved in the Schiphol Group audit within the preceding two years in any position at Schiphol Group that involves a financial reporting oversight role.

The External Auditor will not hire any officer, director or employee of Schiphol Group for involvement in the Schiphol Group audit within two years after termination of his or her employment with Schiphol Group or any Schiphol Group group company.

## **4 Scope of policy**

The policy applies to Schiphol Group, all subsidiary companies, the Audit Committee, the Board of Management and all employees of Schiphol Group. The policy also applies to the partners and employees of the External Auditor.

## **5 Audit Committee responsibility for External Auditor**

The Supervisory Board, through the Audit Committee, shall have the sole authority to recommend to the General Meeting of Shareholders the appointment of the External Auditor. The Audit Committee will review the compensation and oversight of the work of the External Auditor (including resolution of disagreements between management and the External Auditor regarding financial reporting or financial accounting) for the purpose of preparing or issuing an audit report or related work.

Each year the Audit Committee will formally review the External Auditor's independence as required by the Audit Committee's Terms of Reference and will document its position on this matter. To fulfil this role it will, amongst others, review a formal written statement from the External Auditor delineating all relationships between the External Auditor and the Company, consistent with this policy and discuss with the External Auditor its methods and procedures for ensuring its independence.

The Audit Committee will address any changes to this policy as needed. Any independence issues or conflict of interests will be communicated immediately to the Supervisory Board.

## **6 Approval delegation**

The Audit Committee may delegate the specific pre-approval authority to its chairman, but for special purposes only and provided that decisions of the chairman of the Audit Committee to grant pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting.

The Audit Committee has delegated general approval of External Auditor engagements to the Chief Financial Officer. All requests for approval must first be submitted for review to the Chief Financial Officer, who will ensure that engagements specifically requiring the pre-approval of the Audit Committee are submitted to the Chairman of the Audit Committee on a timely basis.

All requests or applications for services to be provided by the External Auditor that do not require specific approval by the Audit Committee will be pre-approved by the Chief Financial Officer after he has confirmed that they are within the general approval limits granted by the Audit Committee.

The Audit Committee will be informed at least once a year of all pre-approvals made on their behalf by the Chief Financial Officer within the general approval limits and will confirm their agreement in the Audit Committee meeting minutes.

If the Chief Financial Officer has any doubt as to whether any proposed service falls within any particular service that has received general approval from the Audit Committee, he/she will contact the chairman of the Audit Committee for clarification, whose determination shall be binding.

## **7 Compliance with the policy**

Compliance with the policy statements is required by the Board of Management, all employees of Schiphol Group and its subsidiaries.

The Audit Committee has designated the Corporate Internal Auditor to monitor compliance with the policy for all services provided by the External Auditor. He/she will report to the Audit Committee on a periodic basis, but at least once a year, on the results of his/her monitoring. The Corporate Internal Auditor and the Board of Management will immediately report to the chairman of the Audit Committee any breach of this policy that comes to the attention of any of them.

## **8 External Auditor**

The External Auditor has reviewed this policy and has indicated that he/she believes that this policy will not adversely affect the External Auditor's independence.

## **9 Disclosure**

Schiphol Group will disclose the existence of this policy in the Corporate Governance paragraph of its annual report. Furthermore, the relevant disclosures regarding the auditor fees will be disclosed in the financial statements in accordance with Dutch law article 2.382a BW.

## **10 Definitions of terms used in policy**

### **10.1 Audit Committee**

The Audit Committee is the Schiphol Group Supervisory Board Audit Committee.

### **10.2 Audit Services**

Audit Services are the audit of Schiphol Group's annual financial statements, the audit of the annual regulatory accounts, the review of interim financial statements, services that are normally provided by the External Auditor in connection with statutory and regulatory filings or engagements, and services that only the External Auditor can reasonably provide. This category includes nine services stipulated in Appendix A.

### **10.3 Audit-related Services**

Audit-related Services are assurance and related services that are reasonably related to the performance of the audit or review of Schiphol Group's financial statements and that traditionally are performed by the External Auditor. This category includes 17 services stipulated in Appendix B.

### **10.4 General Approval**

General Approval consists of proposed engagements of the External Auditor approved by the Audit Committee without consideration of specific case-by-case services. The category and type of services covered by the general Approval of the Audit Committee are detailed in the attached appendices A to D. The annual amount designated for general Approval by the Audit Committee is also shown in the appendices.

### **10.5 Non-audit Services**

Non-audit Services consist of Tax and Other Services.

Tax Services are those related to tax compliance, tax advice and tax planning, including all services performed by the External Auditor's professional staff in its tax line of service, except those rendered in connection with the audit.

Other Services are all products and services other than Audit Services, Audit-related Services, Tax Services and Prohibited Services.

### **10.6 Specific Pre-approval**

Specific Pre-approval engagements are proposed engagements of the External Auditor pre-approved by the Audit Committee on a case-by-case basis. When an engagement of the External Auditor has not received a general approval from the Audit Committee, it will require specific Pre-approval. Any proposed engagements exceeding approved cost levels or budgeted amounts will also require specific Pre-approval by the Audit Committee. When Specific Pre-approval is received from the Audit Committee, the External Auditor may be engaged for the service. However, it does not replace management's responsibility to approve the service in line with Schiphol Group policies on cost and procurement of services.

### **10.7 Prohibited Services**

Prohibited Services are the following categories of services:

- a. *Bookkeeping service*  
Maintaining or preparing accounting records, preparing or originating source data underlying financial statements including maintaining or preparing the salary administration is prohibited.

- b. *Financial information systems design and implementation*  
Designing or implementing a hardware or software system that aggregates source data underlying the financial statements or generates information that is significant to the financial statements or other financial information systems as a whole is prohibited. This does not preclude recommendations on internal control matters in conjunction with the design and installation of a system by another service provider.
- c. *Operating information systems*  
Operating or supervising the operation of (an) information system(s) or managing a local area network is prohibited.
- d. *Appraisal or valuation service or fairness opinion*  
Appraisal services, valuation services or any service involving fairness opinions are prohibited unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during an audit of the consolidated financial statements of Schiphol Group. This does not encompass contribution-in-kind reports, merger and demerger opinions.
- e. *Internal control design and execution*  
Services to design or execute the internal control framework are prohibited. This does not preclude the advice given by the auditor on internal control matters as part of the financial audit (management letter), nor advice given on the set-up of an internal control framework designed by management of Schiphol Group.
- f. *Legal services*  
Legal services consisting of providing an expert opinion or other expert service for Schiphol Group or Schiphol Group's legal representative for the purpose of advocating Schiphol Group's interests in litigation, or in a regulatory or administrative proceeding or investigation are prohibited. This does not preclude factual testimony on work performed, positions taken, or conclusions reached during the performance of any service.
- g. *Human Resource services*  
Searching for or seeking out prospective candidates for a managerial, executive or director positions is prohibited. Furthermore, engaging in psychological testing or other formal testing or evaluation programs, undertaking reference checks of prospective candidates; acting as a negotiator in connection with conditions of employment; or recommending or advising to hire a specific candidate for a specific job is also prohibited.
- h. *(Interim) Management*  
Acting, temporarily or permanently, as a director, officer or employee or performing any decision-making, supervisory or ongoing monitoring function is prohibited.
- i. *Corporate Finance services*  
Acting as a broker-dealer, promoter or underwriter, making investment decisions

or otherwise having discretionary authority over investments, executing a transaction to buy or sell an investment or having custody of assets, such as taking temporary possession of securities purchased is prohibited. This does not preclude assisting management in developing its strategy and/or financing or restructuring advice, provided management takes full ownership of the ultimate decisions taken.

j. *Internal audit outsourcing service*

Internal audit services relating to internal accounting controls, financial systems or financial statements used as part of the annual audit are prohibited. This does not preclude non-recurring evaluations of discrete items or other programs, provided they are not in substance outsourcing.

k. *Actuarial service*

Any actuarially-oriented advisory service involving the determination of amounts recorded in the financial statements and related accounts (other than assistance in understanding the methods, models, assumptions and inputs used in computing an amount) is prohibited, unless it is reasonable to conclude that the results of this service will not be subject to audit procedures during an audit of the financial statements.

l. Any other service that the Board of Management determines is not permissible. For clarification on whether services requested of by the External Auditor fall under the above categories, you should contact the Chief Financial Officer. If the Chief Financial Officer has any doubt in connection with this clarification, he or she will contact the chairman of the Audit Committee for clarification, whose determination will be binding.

## **11 Approvals**

Name:	Date of Issue:
Board of Management	26 August 2009
Audit Committee	26 August 2009

## **12 Appendices to the policy**

The appendices to this policy describe the Audit Services, Audit-related Services, Tax Services and Other Services that have received the General approval of the Audit Committee.

## **Appendices**

<b>A</b>	<b>Approved Audit Services for a fiscal year</b>	<b>13</b>
<b>B</b>	<b>Approved Audit-related Services for a fiscal year</b>	<b>14</b>
<b>C</b>	<b>Approved Tax Services for a fiscal year</b>	<b>15</b>
<b>D</b>	<b>Approved Other Services for a fiscal year</b>	<b>16</b>

## **A Approved Audit Services for a fiscal year**

Maximum fees for the services listed below: EUR 800,000  
(excluding Group Audit Engagement fee)

<b>Category</b>	<b>Service</b>
1	Services associated with issuing statutory audit opinions on the financial statements of Schiphol Group and its Subsidiaries.
2	Services associated with issuing an audit opinion on the regulatory accounts and related reports to NMa or any other regulatory body.
3	Services associated with issuing review opinions on interim financial statements, including quarterly reviews.
4	Reviews of actuarial reports and calculations and personnel benefit plans, when relied upon for the audit of the financial statements (if not included in A1 or A2).
5	IT reviews performed in connection with the audit of the financial statements, i.e. review and testing of controls (if not included in A1 or A2).
6	Review of the tax position in connection with the audit or interim reviews (if not included in A1 or A2).
7	Services associated with stock exchange registration statements, periodic reports and other documents filed with stock exchanges or other documents issued in connection with securities offerings (e.g., comfort letters, consents), and assistance in responding to stock exchange comment letters.
8	Other attest services that only the External Auditor can provide
9	Accounting and financial reporting consultations and research work in relation to the audit of the statutory financial statements.

## **B Approved Audit-related Services for a fiscal year**

Maximum fees for the services listed below: EUR 400,000

<b>Category</b>	<b>Service</b>
1	Employee benefit plan audits.
2	Due diligence.
3	Vendor due diligence.
4	Attestation of price adjustments arising from completion accounts.
5	Audit of completion accounts (for disposals/liquidations) or merger accounts.
6	Audits of acquired businesses (opening balance sheet audits), including advice on accounting restatements.
7	Audit of carve-out financial statements (e.g. as defined in book 2 Dutch Civil Code).
8	Audit of Corporate Social Responsibility Reports.
9	Internal control reviews and assistance with internal control reporting requirements
10	IT and other controls reviews not performed in connection with the audit (i.e. technical information security reviews, pre-implementation reviews, web/intranet assurance).
11	Risk assessments and Quality Assurance for new system projects or other change programs.
12	Specific agreed-upon procedures for management or Corporate Audit Services, where reliance is not placed on the results of such procedures for the audit of the financial statements (e.g. systems and procedures audits).
13	Third party assurance, internal control evaluations (e.g. SAS 70 reports).
14	Forensic audits (i.e. as part of internal controls assurance; reliance is possible for audit purposes), if not related to litigation.
15	Consultations concerning financial accounting and reporting matters not classified as audit (i.e. do not result in the inclusion into the statutory financial statements).
16	Advise and comment on manuals and instructions (i.e. accounting manuals, internal control manuals).
17	General Accepted Accounting Policy conversion advice.

## **C Approved Tax Services for a fiscal year**

Maximum fees for the services listed below: EUR 200,000

<b>Category</b>	<b>Service</b>
1	Corporate tax services related to tax compliance, tax advice and tax planning, including tax technical opinions, second opinions and requests for rulings.
2	Individual income tax services to employees (non-management) which are sent abroad including advice on their personal income tax and social security position including preparation of Dutch income tax returns during the period of their assignments.
3	VAT tax services related to tax compliance, tax advice and tax planning.
4	Customs duty services related to compliance, advice and planning.
5	Transfer pricing and benchmarking studies.
6	Certain wage tax services
7	Subscription to general tax advice bulletins.

## **D Approved Other Services for a fiscal year**

Maximum fees for the services listed below: EUR 400,000

<b>Category</b>	<b>Service</b>
1	Financial risk management reviews (e.g. market/credit/liquidity risk management, treasury risk management and energy trading risk management).
2	Training support for accounting; risk management projects, and internal audit methodology and systems.
3	Advice with respect to corporate sustainability.
4	Benchmarking services.
5	Other Non-prohibited Services (maximum amount per engagement EUR 50,000).