

**REGULATIONS OF THE AUDIT  
COMMITTEE  
AMADEUS IT GROUP, S.A.**

December 13, 2018

## **REGULATIONS OF THE AUDIT COMMITTEE OF AMADEUS IT GROUP, S.A. (THE COMPANY)**

### **0) Introduction**

These Regulations govern the operations of the Audit Committee of the Company's Board of Directors, within the context of the Company's Bylaws and the Regulations of the Board of Directors, the Spanish Capital Companies Act and the 2015 Good Governance Code of Listed Companies.

The Regulations implement the provisions of article 42 of the Bylaws and article 35 of the Regulations of the Board of Directors, taking as a reference the principles and recommendations set out in the Spanish Stock Exchange Commission ("CNMV") Technical Guide 3/2017 on Audit Committees at Public-Interest Companies, dated June 27, 2017.

In advising the Board of Directors and in its oversight and monitoring duties, the Audit Committee shall foster, as guiding principles, a diversity of opinions in the framework of constructive dialogue amongst its members and the establishment of channels for effective and frequent communication with the Company's Management, the internal audit unit and the statutory auditor, having recourse to outside experts, where necessary, to support the Committee in its analyses.

In all cases, these Regulations shall promote the independence of the members of the Audit Committee in their operations.

### **1) Composition**

The Audit Committee shall be composed of a minimum of three (3) and a maximum of five (5) members, all of which shall be non-executive Directors and the majority of which, at least, shall be independent Directors. The members of the Audit Committee and, in particular, its Chairman shall be appointed in the light of their technical knowledge of the sector in which the Company operates and their expertise in accounting, audit or risk management matters. Members shall be appointed in all cases by the Board of Directors.

Diversity shall be sought on the Committee in respect of gender, career experience and geographic origin, to the extent permitted by the composition of the Board of Directors.

The Audit Committee shall appoint a Chairman from among the independent Directors on the Committee. The Chairman must be replaced every two (2) years, and may be re-appointed once one (1) year has elapsed since his/her replacement.

The Committee shall also appoint a Secretary and may appoint a Vice-Secretary, neither of whom should be Committee members. Where no such appointments are made, the Secretary and Vice-Secretary of the Board shall act as the Committee Secretary and Vice-Secretary, respectively.

## **2) Requirements for appointment**

The Board of Directors shall appoint the members of the Audit Committee taking into consideration their degree of knowledge and training in management, economics, finance and business and, in particular:

- Knowledge of accounting or auditing matters
- Ability to analyze and evaluate financial statements
- Understanding of the mechanisms of internal control relating to the financial reporting process
- Knowledge of the sector in which the Company operates
- Ability to analyze and manage risks

## **3) Operating rules**

The Audit Committee shall be called to meet by the Chairman, on his/her own initiative, or at the request of the Chairman of the Board of Directors or of two (2) members of the Committee.

The call shall be made by letter, telegram, fax, email or any other means capable of providing evidence of its receipt and guaranteeing, in all cases, the confidentiality of the matters to be discussed at the meeting.

The Audit Committee shall be called and shall meet at least on the occasion of each annual or interim financial reporting date, pursuant to articles 118 and 119 of the Revised Text of the Securities Market Law and also on the occasion of publication of the quarterly financial statements, during the first and second half of the year, pursuant to article 120 of the above-mentioned law.

Ordinary meetings of the Audit Committee shall be held at the registered office, although meetings may also be held at any other place requested by the Chairman, whether in Spain or abroad. In addition, provided there are justified reasons to explain the inability to attend by any Committee member, the Chairman may authorize the simultaneous holding of meetings at different locations connected by audiovisual or telephonic means, insofar as the identification of the members present and real-time interactivity and intercommunication and, consequently, the integrity of the meeting, can be guaranteed.

As an exceptional measure, the Audit Committee may adopt resolutions in writing without holding a meeting when no member of the Committee objects to this procedure.

The Audit Committee shall be deemed to be validly assembled when the majority of its members are in attendance, in person or by proxy. Resolutions shall be adopted by a majority of members in attendance, in person or by proxy.

The Audit Committee shall have adequate, timely and sufficient access to the necessary information. The Board of Directors is entrusted with providing the Committee, through Company's Management and its personnel, all information needed to perform its duties.

The Chairman of the Audit Committee, through the Secretary of the Board, shall channel and supply the necessary information and documentation to the rest of Committee members sufficiently in advance, so they can analyze such information prior to Committee meetings.

The following parties may attend Audit Committee meetings when invited by the Chairman of the Committee:

- The internal auditor, for those agenda items concerning internal audit that require a presentation or report to the Audit Committee, as well as on the occasion of each annual or interim financial reporting date and of publication of the interim financial statements, and for any other matter for which the internal auditor's attendance is requested.
- The statutory auditor, for those agenda items concerning the statutory audit that require a presentation or report to the Audit Committee, as well as on the occasion of each annual or interim financial reporting date for which its review report is issued.
- Management team and other Company's Directors, to address the agenda items for the purpose of which they were called to attend. Their presence should not be a regular practice, but only when necessary or advisable.
- Any other Company executive whose attendance is deemed advisable by the Audit Committee in respect of any specific agenda item.

The Chairman and the Secretary of the Audit Committee shall put in place a channel for frequent communication with the head of internal audit and with the statutory auditor. If deemed advisable, at least a part of the meetings scheduled annually should take place without the presence of the Company's Management so that the specific issues emerging from the reviews carried out can be discussed.

- (i) For those purposes, the Audit Committee shall establish an annual work plan covering at least the following: schedule of meetings, agenda for the meetings (including potential permanent items), meetings with the internal auditor and with the statutory auditor and a training plan where deemed appropriate.
- (ii) Minutes shall be taken of the resolutions adopted at each meeting, and details thereof shall be reported to the plenary session of the Board. A copy of the Committee meeting minutes shall be sent or delivered to all Board members.
- (iii) The internal audit area shall report functionally to the Audit Committee and shall be under the administrative reporting and supervision of the Secretary of the Board of Directors.
- (iv) The Chairman of the Audit Committee shall act as its spokesperson at meetings of the Board of Directors and, as applicable, at the Company's Shareholders' Meeting.

#### **4) Responsibilities and duties**

The Audit Committee's primary responsibility is that of oversight and advice to the Board of Directors. The Committee should not become involved in executive or management duties, which are within the scope of the Company's Management and executive bodies.

The actions of the Audit Committee shall be, in all cases, respectful of the independence of the internal auditor and, particularly, of the statutory auditor.

In addition to the duties assigned to the Committee in the Company Bylaws and in the Regulations of the Board of Directors, the Audit Committee's duties shall be as follows:

##### **4.1) Oversight of financial and non-financial reporting**

- Supervise the design and management of the internal control system by receiving reports from internal control and internal audit officers and reaching conclusions on the standard of confidence and reliability provided by the system, coupled with proposed improvements, where applicable.
- Evaluate whether the Company has correctly applied accounting policies, based on the available information sources (both internal and external).
- Review the clarity and integrity of all the financial information and related non-financial information made public by the Company.
- For the proper performance of its supervisory role, maintain regular communications with the statutory auditor, with the internal auditor and with Company's Management, if necessary, by means of individual meetings with each.
- The Audit Committee shall verify that the financial information published on the Company's website is always up to date and matches the information authorized for issuance by the Directors and published on the CNMV website, where applicable.
- Supervise the functioning of the whistleblower channels established by the Company so that Management and the governing bodies can receive alerts as to potential irregularities or breaches of regulations, especially those having financial and accounting implications, or breaches of internal codes of ethics, and can propose appropriate actions to improve the functioning of the channel and reduce the risk of future irregularities. To do this, the Audit Committee should regularly receive information on the functioning of the whistleblower channel, including the number of complaints received, their source and type, the outcome of investigations and proposed actions.

##### **4.2) Supervision of risk management and control**

- Assess the effectiveness of the risk management and control function. To that end, the Audit Committee must receive regular reports from Company's Management on the functioning of existing systems and on the conclusions of any tests conducted on such systems by internal auditors or by external third parties.
- Supervise the effectiveness of internal control and risk management systems as a whole, embracing both financial and non-financial risks, ensuring that risk supervision is included in Committee Meeting agendas so that all significant financial and non-financial risks can be analyzed over the course of the year, reassessing the list of risks and the level of tolerance established for each risk, identifying emerging risks, and meeting at least annually with the officers heading up the risk and compliance area in order to analyze the risk map.

#### **4.3) Supervision of internal audit**

- Approve the terms of reference for the internal audit area.
- Annually assess and approve the internal audit area's role, action plans based on risks and resources (human, financial and technical) to ensure that they are adequate to the Company's real needs.
- Supervise the internal audit plan, verifying that the plan covers the main risks of the business and reflects suitable coordination with other existing assurance functions, such as risk management and control and regulatory compliance as well as with the statutory auditor.
- Take necessary steps so that the head of internal audit has direct and effective access to the Audit Committee.
- Request that any significant change to the internal audit action plan is properly communicated to the Audit Committee.
- Monitor that action plans are being implemented in accordance with the original undertakings and within the planned timetable, and that progress therewith is reported to the Audit Committee.
- Receive with the planned regularity the conclusions of internal audit reports, prepared in response to annual scheduling or to specific requests, addressing any weaknesses or irregularities found, action plans for their resolution, and follow-up of the implementation of those plans.
- Receive an annual activity report containing a summary of activities carried out and reports issued over the year, stating explanations as required for work specified in the annual plan but not implemented and work implemented but not originally planned, and setting out an inventory of weaknesses, recommendations and action plans contained in the various reports.

#### **4.4) Relations with the statutory auditor**

- When selecting the statutory auditor, the Audit Committee must take into account, among other factors, the technical and human resources of the auditor (geographical coverage of the network of firms of which it is a member), its experience in general and, in particular, in the sector in which the Company operates, and its independence, including the proposed fees.
- Take required or advisable steps to ensure the independence of the statutory auditor, approving the provision of non-audit services, assessing the qualitative and quantitative aspects of these services so that they do not represent a threat to the auditor's independence.
- Request an explanation of the internal quality control system the statutory auditor has in place as to independence, as well as information on internal practices for the rotation of the audit partner.
- Review and receive assurances that the remuneration of the statutory auditor does not compromise the quality of its work or its independence.

- Regularly meet with the statutory auditor, both with and without the presence of Company's Management, to address all matters that might influence the audit opinion or the independence of the statutory auditor, as well as the work plan, the materiality threshold, the quality and applicability of the Company's accounting principles, errors and breaches identified by the auditor and, in general, any relevant matter detected in relation to the accounts, the internal control system or the audit.
- Review in conjunction with the statutory auditor the content of the audit report and of the additional report accompanying the audit work.
- Assess the auditor's performance and how it has contributed to the quality of the audit and to the integrity of the financial information.

## **5) Engagement of experts and other resources**

In order to receive support in performing its duties, the Audit Committee, through the Secretariat of the Board, may seek and obtain expert advice, legal opinions and reports, at the cost of the Company, when it believes this to be appropriate. Any such engagement must necessarily relate to specific problems of a certain scale and complexity arising in the performance of the Committee's duties and it cannot entail a risk with respect to the confidentiality of the information to be handled.

The Audit Committee shall have all the material resources needed for it to perform its duties, including an appropriate meeting room at the Company's registered office that ensures the confidentiality of the matters discussed and is equipped with the necessary technical, presentation and communications tools (video conferencing equipment, telephones, internet, etc.).

## **6) Annual report**

The Audit Committee shall prepare an annual report on its activities, highlighting the main incidents arising, if any, in relation to its functions. The Audit Committee may include in such report proposals to improve the governance rules of the Company, if appropriate.

The annual report shall set out the regulations of the Audit Committee, its composition (including any changes in membership during the year and the length of service and category of each member), the duties and tasks carried out, the number of meetings held during the year, those in attendance at the meetings (members and/or invited guests), participation by the internal auditor and/or the statutory auditor at the meetings, evaluation and performance of the Committee, assessment of the statutory auditor's independence and conclusions.

These Regulations of the Audit Committee of Amadeus IT Group, S.A. will come into force on January 1, 2019 and were unanimously approved by the Committee at its meeting held on November 6, 2018.

Chairman of the Audit Committee

(Approved by the Board of Directors on December 13, 2018)