

Global Report 2015

A business, financial
and sustainability overview

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The buildings are arranged in a circular pattern, creating a sense of height and architectural grandeur. The sky is a pale, hazy blue. The text is overlaid on the left side of the image.

9. Corporate governance: transparency and integrity

9.1 Amadeus' corporate governance structure

9.2 Combined assurance

Upholding the highest levels of corporate governance helps Amadeus sustain its market leadership and consolidate the principles that have made it a trusted partner for customers, suppliers and other associates. Amadeus' corporate governance policies and procedures are designed to help the company achieve its general objectives and protect the interests of its shareholders.

The legal norms of the Amadeus Group relating to corporate governance were drawn up on the occasion of the company's flotation on the Spanish stock market in April 2010. Some of these norms were adapted in 2012 and 2015 to the new mercantile framework resulting from the amendment to the Spanish Capital Companies Act. They are as follows:

- _ Company bylaws (updated in 2015)
- _ Regulations of the Board of Directors (updated in 2015)
- _ Regulations of the General Shareholders' Meeting (updated in 2015)
- _ Internal rules of conduct relating to the securities market (review in progress for 2016)

9.1 Amadeus' corporate governance structure

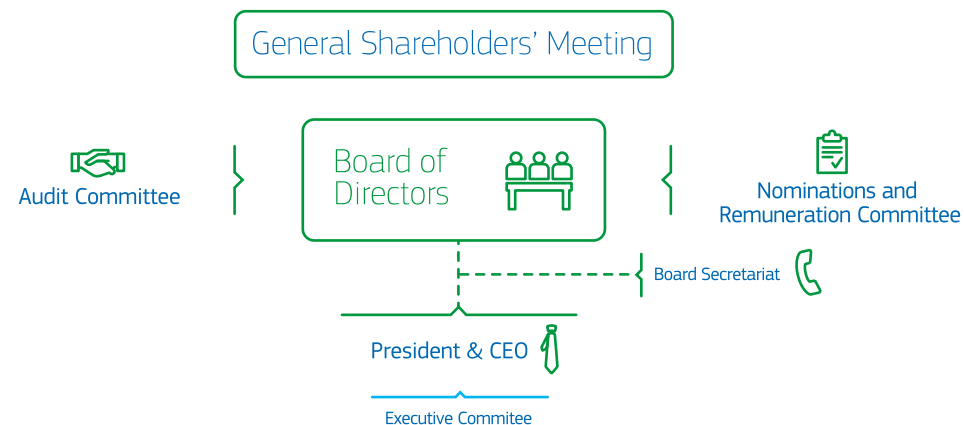
General Shareholders' Meeting

The General Shareholders' Meeting is the highest body representing Amadeus Group's share capital. It exercises its powers exclusively in the spheres of corporate law and the company's bylaws. According to these laws, shareholders must meet at least once a year, within the first six months of each year, to debate and adopt agreements concerning their most important economic and legal duties, which are exclusive to them. These include: the appointment of Board members; the review and approval of the annual accounts; the appropriation of results; the appointment of external auditors; the authorisation for the acquisition of treasury stock; and the supervision of the Board's activities. Both the Spanish law and the company's bylaws confer upon the General Shareholders' Meeting the exclusive power of adopting other important agreements, such as bylaw modifications, bond issues and mergers.

The new wording of the Spanish Capital Companies Act confers further significant powers to the General Shareholders' Meeting, which is now the competent body responsible for discussing and agreeing on the purchase, sale or contribution of essential assets to another company. It is also the competent body for listed companies for the approval of the transfer of essential activities performed by the company to its controlled subsidiaries, even if the listed company maintains control of the activities.

The General Shareholders' Meeting may also decide on business transactions, the result of which may be equivalent to the liquidation of the company, as well as on the remuneration policy of the Board of Directors.

Amadeus' corporate governance structure



Board of Directors

The Board of Directors is the highest representative, administrative, managerial and controlling body at Amadeus, setting out the company's general guidelines and economic objectives. The Board carries out the company's strategy (steering and implementing company policies), supervision activities (controlling management) and communication functions (serving as a link to shareholders).

The new Spanish Capital Companies Act also confers further powers to the Board of Directors, some of which are non-delegable (for listed companies). In this regard, the Board of Directors is the responsible body for policies on: corporate social responsibility; risk management and control (including fiscal risks); corporate governance of the parent company and its group; and the tax strategy of the company, among others.

Composition of the Board of Directors

Name or corporate name of Director	Position on the Board	Date of first appointment	Nature
Mr José Antonio Tazón	Chairman	02/12/2008	Independent
Mr Guillermo de la Dehesa	Vice Chairman	29/04/2010	Independent
Mr Luis Maroto	CEO	26/06/2014	Executive
Mr Marc Verspyck	Director	26/06/2014	Other External
Dame Clara Furse	Director	29/04/2010	Independent
Mr David Webster	Director	06/05/2010	Independent
Mr Francesco Loredan	Director	21/02/2005	Independent
Mr Pierre-Henri Gourgeon	Director	29/12/2005	Other External
Dr Roland Busch	Director	01/07/2013	Other External
Mr Stuart McAlpine	Director	21/02/2005	Independent
Open vacancy	Director		
Mr Tomas López Fernebrand	Secretary (non-Director)	18/01/2006	
Mr Jacinto Esclapés	Vice Secretary (non-Director)	18/01/2006	

The Independent Directors Dame Clara Furse and Mr Guillermo de la Dehesa were re-elected for an additional period of three years by decision of the General Assembly of Shareholders on 20 June 2013. The decision was made upon the proposal of the Board of Directors, with the prior endorsement of the Nominations and Remuneration Committee about their classification as 'Independent'. Their appointment will expire in June 2016, and their re-election or replacement, upon proposal from the Nominations and Remuneration Committee, will be submitted for decision to the General Shareholders' Meeting to take place in June 2016.

As per Article 35 of the bylaws of the company (term of office), the following Directors were re-elected for an additional one-year term in the last Ordinary General Shareholders' Meeting of 25 June 2015:

- _ Mr José Antonio Tazón
- _ Mr David Webster
- _ Mr Francesco Loredan
- _ Mr Pierre-Henri Gourgeon
- _ Mr Stuart McAlpine

Their re-election or replacement, upon proposal by the Nominations and Remuneration Committee, will also have to be submitted for decision to the General Shareholders' Meeting to take place in June 2016.

Following the aforementioned Article 35 of the bylaws, Dr Roland Busch and Mr Marc Verspyck were each appointed for three-year terms by the Ordinary General Shareholders' Meeting of 26 June 2014 and therefore their term of office will be in force until June 2017. The existing vacant seat on the Board of Directors was created in 2014 and will be covered in due time by the General Assembly of Shareholders, upon proposal from the Nominations and Remuneration Committee to the Board.

The financial expertise, broad management skills and dedication of the Independent Directors, as well as the industry knowledge of the Other External Directors, have contributed significantly towards the quality and efficiency of the Board's operations and committees. As a result, Amadeus benefits from a balanced Board composition and improved performance.

The incorporation of the first executive of the company to the Board as Executive Director (term of office in force until June 2017) reinforces the information channel between the Board of Directors and the company's management team, which plays an important role in achieving greater efficiency in the Board's decision-making process.

During the fiscal year 2015, six Board meetings were held with attendance by all the Board members in person, by proxy with specific voting instructions or by means of telematics. One additional Board meeting was held via mail vote.

The Chairman of the Board of Directors, Mr José Antonio Tazón, and the Amadeus Group CEO, Mr Luis Maroto Camino (Executive Director), attended all Board meetings.

When an agenda item discussed by the Board represented a conflict of interest for any of the Directors, the affected Director excused his/her presence for the specific agenda item.

Remuneration policy

With respect to remuneration for the Chairman and non-executive Directors, Amadeus offers competitive fees commensurate with the required time commitment and responsibilities. As part of the remuneration policy, every two years the Nominations and Remuneration Committee reviews the non-executive Director fee data of comparable companies in the main European indices, including the IBEX 35. For 2015 and 2016, it was agreed to continue with the remuneration policy, based on a fixed amount,

for membership of the Board and of the various Board committees. It was also agreed not to implement any other complementary remuneration formula.

The policy on Board remuneration does not include variable remuneration based on profits or attendance fees, nor contributions to pension plans or severance agreements in case of termination of functions. No provision is made for remunerating External Directors through stock awards, stock options or instruments linked to share value.

The Executive Director receives an annual base salary, payable monthly, for the performance of executive duties for the company. The purpose of this element is to reflect the market value of the role, attract talent and reward skills and experience. The total remuneration package of the Executive Director (CEO) comprises various components, primarily consisting of: (i) base salary; (ii) short-term variable remuneration; (iii) long-term variable remuneration; and (iv) other remuneration (board fees, benefits and pension).

This remuneration policy, included in the Annual Report 2014 on Remuneration of Directors of Listed Companies, was approved by the Ordinary General Shareholders' Meeting of 25 June 2015 with a favourable vote of 91.61%. By virtue of point no. 2 of the Transitional Provision of Act 31/2014 of 3 December, it is understood that the remuneration policy included in the Annual Report was also approved for the next three fiscal years.

Audit Committee

The Audit Committee is currently made up of five external Board members

Members of the Audit Committee	
Member	Position
Mr Guillermo de la Dehesa	Chairman*
Mr Pierre-Henri Gourgeon	Member
Dame Clara Furse	Member
Mr David Webster	Member
Mr Marc Verspyck	Member

* Appointment in force until July 2016.

The new powers vested in the Audit Committee by the Spanish Capital Companies Act (as amended), as well as the recommendations of the Spanish Good Governance Code of Listed Companies, render the Audit Committee considerably more important than an advisory body to the Board of Directors; it becomes a supervisory body for certain key matters. Its main function is to provide support to the Board of Directors in its oversight duties by, among other actions, the periodic review of financial statements, internal control and risk management (including tax risk), so that major risks are duly identified, managed and disclosed properly.

The Audit Committee also provides support to the Board of Directors to ensure compliance with all laws, regulations and internal rules affecting the Amadeus Group. The Committee monitors compliance with the applicable rules at a national and international level, and supervises the preparation and integrity of the company's financial information, making certain that it follows regulatory requirements and the

proper application of accounting principles. The Audit Committee also hierarchically oversees the Internal Audit function.

The Audit Committee meets periodically, as convened by its Chairman. For this purpose, the Board Secretariat prepares an agenda for approval by the Committee Chairman, which is sent to all participants in advance of the meeting, together with the relevant documentation for each of the agenda items. Apart from the Audit Committee members, certain members of the Amadeus management team also attend the meetings. The external auditors, Deloitte represented by the partners in charge of Amadeus' audit, attend the meetings twice a year, unless their ad hoc attendance is required by the Committee Chairman. Minutes are drawn up by the Secretary of the Board (acting as Secretary of the Committee) on the conclusions reached at each meeting, which are included as an agenda item in the next Board of Directors' meeting, at which the Committee Chairman reports to the full Board on the most relevant points addressed and any

recommendations. Three recurrent items form part of the agenda throughout the year, irrespective of others which, depending on the matter at hand, are also included for discussion, analysis and recommendation. The three agenda items are: (1) External Audit (for the annual and half-year financial statements), (2) Internal Audit and (3) Risk Management.

In 2015 the Audit Committee prepared the mandatory annual report on its activities for the fiscal year 2014, covering the following areas:

- _ Competency and duties of the Audit Committee
- _ Composition of the Audit Committee
- _ Activities
- _ Items discussed by the Audit Committee during fiscal year 2014 (External Audit, Internal Audit, Risk Management and Other Items)
- _ Incidents and proposals for improving the company's rules of governance

Nominations and Remuneration Committee

This Committee is made up of five external Board members and evaluates the competence, knowledge and experience required of members of the Board of Directors. It also proposes Independent Directors for appointment to the Board of Directors; reports to the Board of Directors on matters of gender diversity; proposes to the Board of Directors the system and amount of the annual remuneration of its Directors, as well as the remuneration policy of the Members of the Executive Committee; formulates and reviews the remuneration programmes for senior management; monitors observance of the remuneration policies and assists the Board in the compilation of the report on the remuneration policy of the Directors and submits to the Board any other reports on compensation established in these regulations.

The Nominations and Remuneration Committee meets periodically, as convened by its Chairman. For this purpose, the Board Secretariat prepares an agenda for approval by the Committee Chairman, which is sent to all participants in advance of the meeting, together with the relevant documentation for each of the agenda items. Apart from the Nominations and Remuneration Committee members, certain members of the Amadeus management team regularly attend the meetings.

In 2015 the Nominations and Remuneration Committee prepared the mandatory annual report on its operations for the fiscal year of 2014, covering the following areas:

- _ Competencies and functions of the Nominations and Remuneration Committee
- _ Composition of the Nominations and Remuneration Committee
- _ Activities
- _ Matters dealt with in fiscal year 2014
- _ Nature of the Directors (Independent, Proprietary, Other External and Executive Director)

Members of the Nominations and Remuneration Committee

Dame Clara Furse	Chairman*
Mr Francesco Loredan	Member
Mr Guillermo de la Dehesa	Member
Mr David Webster	Member
Dr Roland Busch	Member

* Appointment in force until November 2016.

_ Composition of the Board of Directors

_ List of companies in which the Board members also serve as Directors and/or Executive Managers

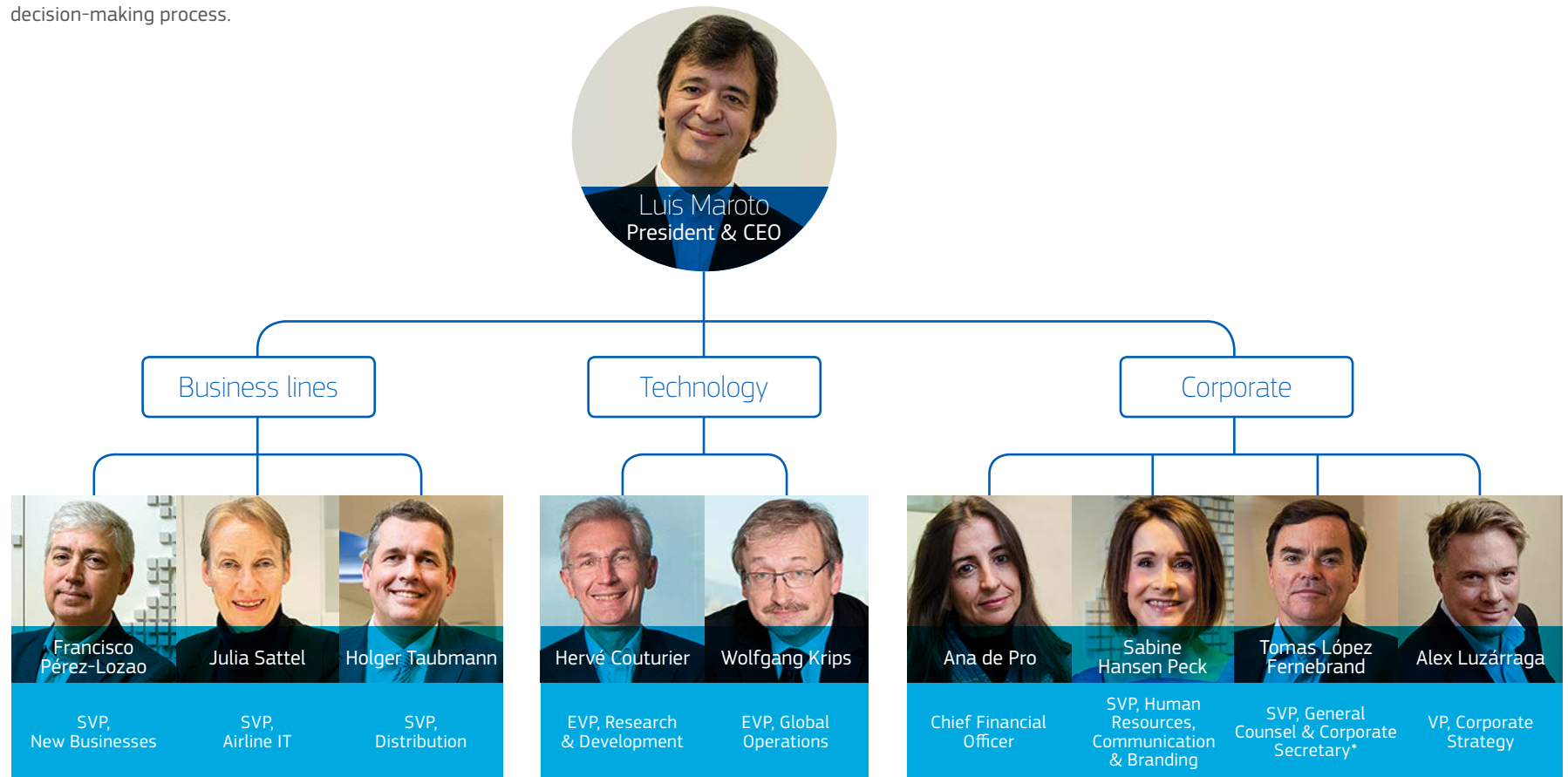
In addition, the Nominations and Remuneration Committee produced the remuneration policy of the Board of Directors, together with the Annual Report 2014 on the Remuneration of Directors of Listed Companies.

Minutes are drawn up by the Secretary of the Board (acting as Secretary of the Committee) on the conclusions obtained at each meeting and included as an agenda item for the next Board of Directors' meeting, at which the Committee Chairman reports to the full Board on the most relevant points addressed and puts forth recommendations for approval, if applicable.

Amadeus Executive Committee

The Amadeus Executive Committee is led by the company's CEO (*Consejero Delegado*) and composed of the senior management leaders, who each possess broad company experience.

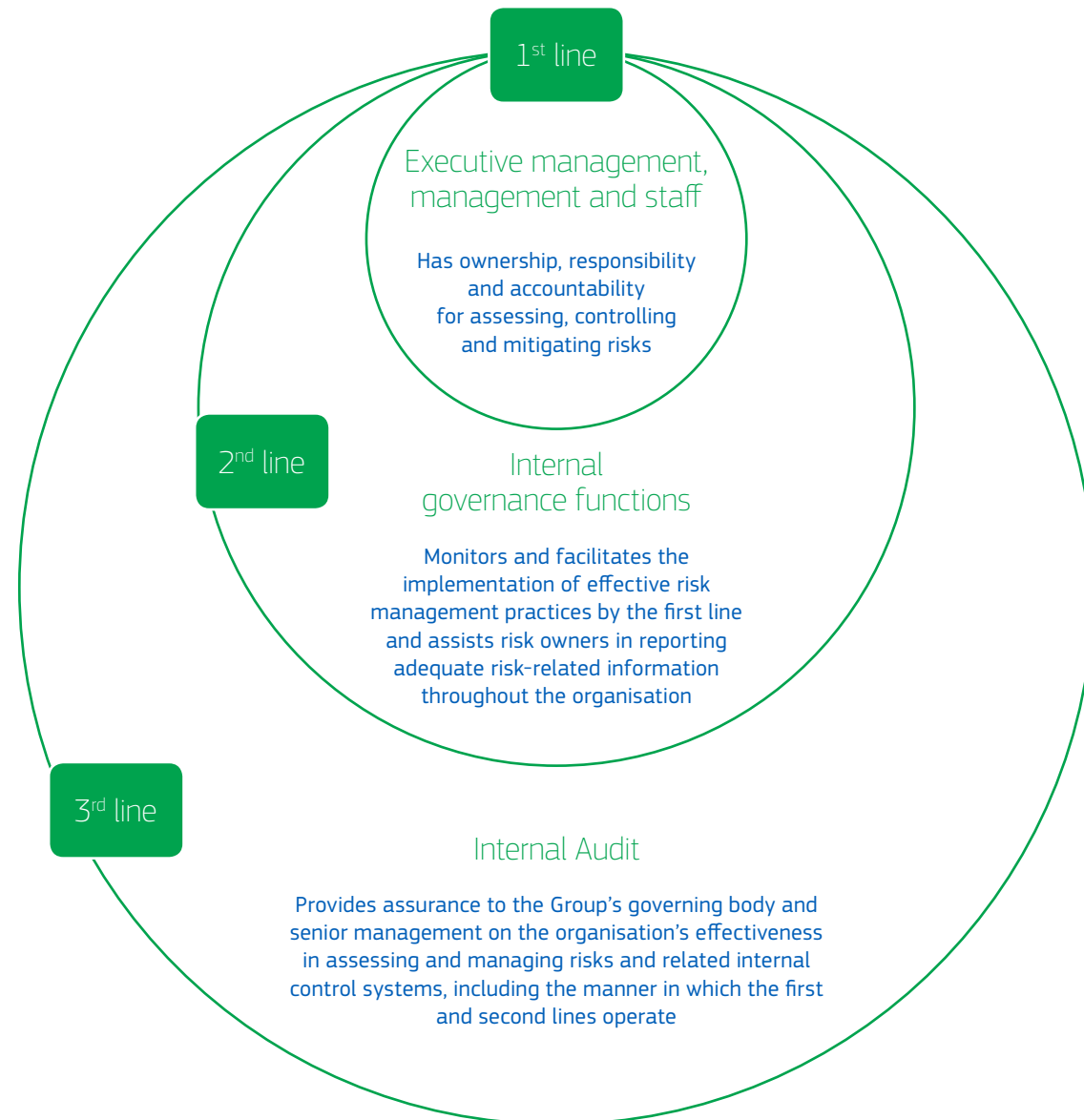
This governance structure is designed to foster direct communication between Amadeus' business and its governing bodies in order to facilitate an effective decision-making process.



* Also responsible for Risk and Compliance, CISO, Industry Affairs and Group Internal Audit.

9.2 Combined assurance

In 2015, Amadeus formally adopted, with the Board of Directors' and the Executive Committee's endorsement, the Three Lines of Defense Model – a model for integrating, coordinating and aligning all support and assurance functions within the entity, ensuring an effective management of risks across the organisation.




First line of defense: executive management, management and staff

Amadeus' commitment to integrity and transparency begins with its own staff. Amadeus employees adhere to ethical standards, as set forth in the Amadeus Code of Ethics and Business Conduct. We do not see this code purely as a 'rule book', but as a mutual agreement across the organisation to promote positive behaviours that will add value to our business and ensure the highest standards of integrity at all times. The areas covered in the code are as follows:

- _ Commitment to the environment
- _ Avoiding conflicts of interest
- _ Protecting personal data and confidentiality
- _ Handling relations with third parties and the media in a sensitive manner
- _ Handling company property, equipment and installations with care

Amadeus strives to ensure that its employees refrain from unethical behaviour. In 2015, we reinforced training and awareness of several policies to prevent and control specific unethical practices such as fraud, bribery and corruption. We also reinforced awareness of the policy on gifts and entertainment, and implemented a Speak Up Policy.

Additionally, the Risk and Compliance Office defined a Compliance Framework to reinforce professional behavioural principles and provide training in and awareness of these principles across the organisation, in coordination with Human Resources.

We also respect and promote international human rights, and expect all our suppliers and business partners  to uphold internationally recognised standards regarding working conditions and the dignified treatment of employees.

Human rights forms part of Amadeus' risk analysis. The company evaluates the risks of infringing on the following rights: non-discrimination, collective bargaining, freedom of association, fair wages, forced or child labour and adequate health and safety working conditions. Although such risks fall very low on our risk map, we have a series of mitigating and monitoring actions to manage them, both internally and with our suppliers and business partners.

Our procedures for mergers and acquisitions also have a due diligence in place, where human rights-related risks are evaluated. An Integration Team ensures that the company's policies are effectively implemented into newly integrated companies. Furthermore, the Speak Up Policy allows employees to report any breach of the Code of Ethics and possible resulting human rights violations.

These policies are supported by processes that, as with any other process at Amadeus, undergo regular internal and external quality reviews to ensure regulatory compliance and application of best practice.

Ethics Committee

The Ethics Committee provides guidance on ethical behaviour and compliance issues. This committee also addresses any concerns that employees may have and simultaneously assists in the implementation of the Code of Ethics and Business Conduct throughout the Amadeus Group. We attach great importance to promoting integrity, transparency and ethical conduct in all our operations, and we are committed to applying a zero tolerance approach regarding prohibited practices, both in our internal affairs and external operations.

Risk Steering Committee

The Risk Steering Committee is a decision-making body empowered by the Executive Committee to provide oversight and guidance on risk management activities and issues across the Group, including risk assessment and prioritisation, risk mitigation strategies and crisis responses.

Both the Ethics and the Risk Steering Committee meet on a regular basis.

 See 'Annex 1 – About this report', p. 137.

Amadeus policies

Risk and Compliance policies

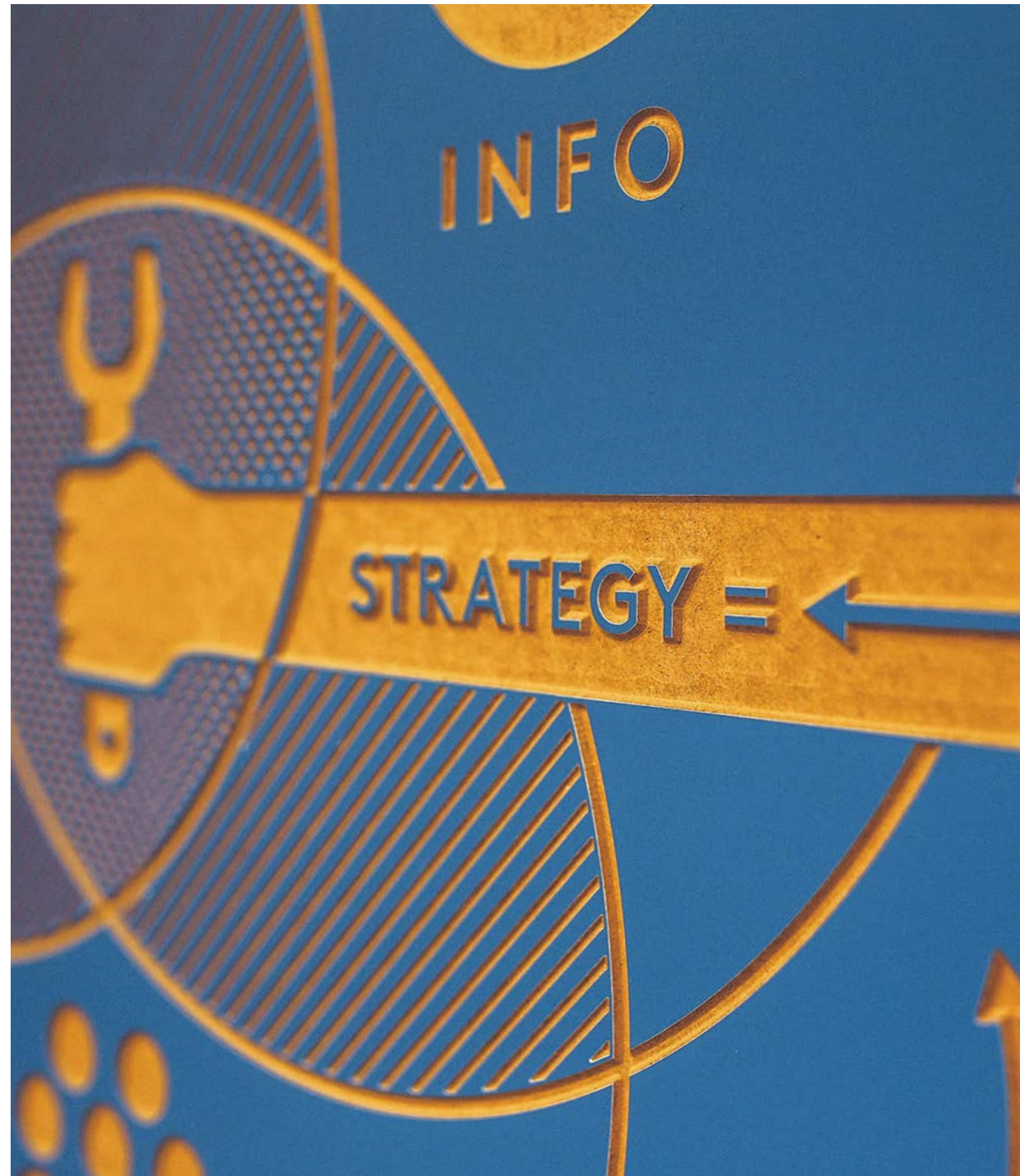
- _Code of Ethics and Business Conduct
- _Speak Up Policy
- _Anti-Fraud Policy
- _Anti-Bribery Policy
- _Entertainment and Gift Policies

Corporate and commercial legal policies

- _Powers of Attorney
- _Banking Powers
- _Antitrust and Competition Law – Compliance Manual
- _On-site Investigation Policy
- _Data Privacy Manual
- _External Legal Counsel Policy

Other core Group policies

- _Information Security Policy
- _Sales Manual
- _Corporate Purchasing Policy
- _Health and Safety Policy
- _Environmental Policy
- _Charitable Contributions Policy
- _Political Contributions and Lobbying Policy



Second line of defense: internal governance functions

Control activities are embedded in all areas of the organisation. Major control activities are carried out from departments such as Risk and Compliance, Legal, Finance, Human Resources and others. Control activities include the formalisation and monitoring of annual questionnaires completed by all Amadeus companies in order to assess their compliance with and awareness of Amadeus' corporate policies and processes.

The Risk and Compliance Office is responsible for centralising the continuous monitoring of major risks and compliance issues within Amadeus.

Risk and Compliance Office

The Risk and Compliance Office develops the Corporate Risk Map and establishes control and monitoring procedures for each of the identified risks, in conjunction with the 'owner' responsible for each risk. The risks resulting from analyses as well as monitoring measures are reported on a regular basis to the Risk Steering Committee and the Audit Committee, as well as to the Executive Committee and the Board of Directors.

We continually monitor the most significant risks that could affect the organisation and the companies that make up the Group, as well as the organisation's own activities and objectives.

Amadeus' general policy regarding risk management and monitoring focuses on:

- _ Achieving its long-term objectives as per its established strategic plan
- _ Contributing the maximum level of guarantees to shareholders and defending their interests
- _ Protecting the company's earnings

- _ Protecting the company's image and reputation
- _ Contributing the maximum level of guarantees to customers and defending their interests
- _ Guaranteeing corporate stability and financial strength over time

Encouraging a risk culture throughout the organisation is one of the main goals of the Risk and Compliance Office, and top management is actively involved in this effort.

Risk management is increasingly embedded into existing as well as new business projects with customers.

The general policy for managing and monitoring risk is implemented through procedures, methodologies and tools such as the Corporate Risk Map, which permits Amadeus to achieve the following objectives:

- _ Identify the most significant risks that affect the organisation's strategy, operations, information and compliance, following the COSO (Committee of Sponsoring Organisations of the Treadway Commission) methodology, a widely used framework.
- _ Analyse, measure and evaluate these risks in terms of their probability/impact, following uniform procedures and standards that are common to the entire company. Impact is determined by both the financial and reputational aspect.
- _ Prioritise these risks according to their level of probability/impact and how they might affect the organisation's business, operations or objectives.
- _ Monitor and manage the most relevant risks with appropriate action plans and mitigation measures. This is achieved in a more concrete manner by designating Risk Owners.

The ultimate aim of the Corporate Risk Map is to provide visibility on significant risks and facilitate effective risk management. Risk analysis is a fundamental element of the company's decision-making processes, both within the governing bodies and in the management of the business as a whole.

The Corporate Risk Map also considers the global risks identified each year by the World Economic Forum,¹ such as economic, environmental, geopolitical, societal and technological.

Amadeus is not only concerned about immediate risks; emerging risks are also taken into account. Newly developing or changing risks that are difficult to quantify and could have a major impact on society and the industry are considered in the exercise.

The latest version of the Corporate Risk Map defines the most critical risks relating to the Amadeus Group's operations and objectives, among which the following are highlighted: technological risks, operational risks that could affect the efficiency of business processes and services, commercial risks that could affect customer satisfaction, reputational risks, security and compliance risks, the macro-economic and geopolitical environment and trends in the travel and tourism industry. Some of these risks have evolved from the previous Corporate Risk Map and a few others have been newly identified.

These highlighted risks are assigned to Risk Owners at the highest level of the organisation, who are given the duty to propose the risk response. The progress and evolution of key risks is submitted to the Risk Steering Committee for review and consideration, together with the proposal, when required, to take any necessary measures or further actions.

¹ World Economic Forum (2016). *Global Risks Report 2016 – 11th Edition*.

Third line of defense: Group Internal Audit

Due to its universal and dynamic character, the process described above identifies new risks affecting the Group arising as a result of changes in the environment, or as a consequence of the revision of objectives and strategies.

In the current business environment, which is characterised by increasing stakeholder demand for transparency, ethics and social responsibility, reputational risk management has become one of the greatest opportunities for value creation. The Amadeus Reputational Risk Map is fully integrated with the overall Corporate Risk Map of the company. Therefore, assessing the reputational impact of a particular risk is embedded into our methodology.

The Group Internal Audit function provides independent and objective assurance and consulting services designed to improve Amadeus' operations. It helps the company accomplish its goals by using a systematic approach to evaluate the effectiveness of risk management, control and governance processes.

The Group Internal Audit team carries out its own review exercises, as explained below.

Amadeus Group Internal Audit encompasses all the Amadeus companies. Activities in the three main sites (Madrid, Nice and Erding) are included in internal audit reviews each year. For the rest of our companies, internal audit engagements are performed on a discretionary basis, according to the materiality, business cycle and priorities agreed upon by top management and the Audit Committee.

The reviews performed by Group Internal Audit are intended to evaluate the effectiveness of the whole internal control framework, including the effectiveness of internal controls against fraud and corruption. The legal entities included in Group Internal Audit reviews during 2015 represented more than 50% of the total of Amadeus' workforce.

Group Internal Audit has also implemented several co-ordination streams together with some of the main control functions of the company (e.g. Risk and Compliance, Finance, Legal and Human Resources), as well as with the main business units, in order to ensure an optimum and continuous complement to assurance activities.

