



# Board Charter

**Atlas Arteria International Limited**

# ATLIX Board Charter

## Introduction

Atlas Arteria is a dual stapled vehicle, listed on the Australian Securities Exchange.

Atlas Arteria comprises Atlas Arteria Limited (ACN 141 075 201) (**ATLAX**), an Australian public company, together with its controlled and managed entities and Atlas Arteria International Limited (Registration no. 438 28) (**ATLIX**), an exempted mutual fund company incorporated in Bermuda, together with its controlled and managed entities. The securities of ATLAX and ATLIX are stapled and must trade and otherwise be dealt with together.

ATLAX and ATLIX each have a separate Board of Directors (the **ATLAX Board** and the **ATLIX Board** respectively).

ATLIX and ATLAX have also entered into a co-operation deed which provides for sharing of information, adopting of consistent accounting policies and coordination of reporting to securityholders (**Atlas Arteria Co-operation Deed**).

## Purpose of this Charter

This Charter sets out the functions and responsibilities of the ATLIX Board within the governance of Atlas Arteria.

The ATLIX Board is governed by the Memorandum of Association and by-laws of ATLIX (**ATLIX Bye-Laws**).

## Role and Responsibilities

The ATLIX Board is accountable to the securityholders of Atlas Arteria for the performance of ATLIX.

The responsibilities of the ATLIX Board include to:

- provide leadership;
- develop with management and set the strategic objectives for Atlas Arteria;
- define Atlas Arteria's purpose and approve its Vision and Values Statement;
- set the tone for, and monitor, Atlas Arteria's culture, ethical standards, corporate governance and legal compliance in line with Atlas Arteria's Vision and Values Statement and Code of Conduct;
- approve acquisitions, divestments, operating budgets and capital management activities;
- approve distributions and distribution policy (if any);
- approve investment or expenditure initiatives that are in excess of approved budgets or the CEO's expenditure delegations;
- approve annual and half yearly financial statements and Directors' Report and other material related disclosures, including the Corporate Governance Statement, Modern Slavery Statement and other sustainability (including climate-related) reporting;
- monitor the financial performance of Atlas Arteria;
- identify and monitor Atlas Arteria's material business risks and to oversee how they are managed;
- oversee the process for establishing internal control and risk management frameworks in respect of Atlas Arteria's material business and operational risks (both financial and non-financial) and to approve the Risk Management Policy;
- set the risk appetite within which Atlas Arteria is expected to operate, including approving the Risk Appetite Statement;
- ensure Atlas Arteria's remuneration policies are aligned with the Atlas Arteria purpose and Vision and Values Statement, strategic objectives and Risk Appetite Statement; and
- ensure that an appropriate framework exists for relevant information to be reported by management to the ATLIX Board.

In support of the above, the ATLIX Board will:

- appoint, review the performance of and when necessary, replace the Chair of ATLIX, the Chief Executive Officer (**CEO**), the Chief Financial Officer (**CFO**) and the Company Secretary;
- review and oversee the succession planning process for the CEO;
- approve the remuneration (including variable remuneration) of the CEO and executives who report directly to the CEO;
- oversee management's performance including in its implementation of Atlas Arteria's strategic objectives and instilling of Atlas Arteria values;
- monitor the integrity of the accounting and corporate reporting systems used for ATLIX financial reporting, the integrity and effectiveness

# ATLIX Board Charter

of internal controls and oversee the external audit;

- approve the appointment, fees and removal of external and internal auditors (on the recommendation of the Atlas Arteria Audit and Risk Committee);
- oversee the process for making timely and balanced disclosure of all other material information concerning Atlas Arteria that a reasonable person would expect to have a material effect on the price or value of Atlas Arteria's securities;
- monitor implementation of Atlas Arteria's internal control and risk management frameworks and review Atlas Arteria's risks;
- approve key policies and targets relating to the operations of Atlas Arteria and monitor the effectiveness of Atlas Arteria's practices, and progress towards targets, relating to workplace behaviour, health and safety, diversity and inclusion, environment, sustainability (including climate) and governance;
- oversee the communication of key issues with securityholders and regulators; and
- be prepared to challenge management and hold them to account.

## The Chair

The role and responsibilities of the Chair of the ATLIX Board include:

- leading the ATLIX Board;
- facilitating the effective contribution of all Directors and promoting constructive and respectful relations between Directors and between the ATLIX Board and management;
- approving ATLIX Board agendas and ensuring adequate time is available for discussion of all agenda items including strategic issues;
- chairing ATLIX Board and securityholder meetings; and
- representing the ATLIX Board to external stakeholders (including investors) and communicating the ATLIX Board's position on key issues.

## Composition

The following guidelines apply to the ATLIX Board's composition:

- the ATLIX Board is to comprise at least three Directors, but not more than four Directors;
- the Chair and a majority of the ATLIX Board must be independent Non-executive Directors. Independence of each Director is assessed by the ATLIX Board at least annually. For further details see appendix 1;
- in accordance with the Atlas Arteria Co-operation Deed, ATLIX has agreed that it will look favourably upon an ATLIX Director being nominated for appointment or election to the ATLIX Board (such that there will be at least one Director in common between the ATLIX Board and ATLAX Board) where to do so will promote co-operation and consultation in respect of the affairs of ATLAX and ATLIX and where practicable take steps to facilitate that person's appointment or election to the ATLIX Board;
- there must not be half or more of the ATLIX Board of Directors located in any jurisdiction other than Bermuda and no person may be appointed as a Director if it would cause a majority of the ATLIX Board to be resident for tax purposes in a jurisdiction other than Bermuda;
- Directors must stand for election on a three year rotational basis in accordance with the requirements of the ATLIX Bye-Laws. To ensure an appropriate process of ATLIX Board renewal, Directors will generally retire after 10 years but their term can be extended if considered of significant benefit to Atlas Arteria; and
- if there is a vacancy on the ATLIX Board that remains unfilled or if there are any casual vacancies on the ATLIX Board, then the ATLIX Board may appoint any person to fill that vacancy in accordance with the ATLIX Bye-Laws, to hold office only until the next general meeting of ATLIX's securityholders.

To optimise decision making and provide leadership to Atlas Arteria, the following should also be considered:

- the ATLIX Board is to be comprised of Directors with an appropriate range of qualifications, skills, expertise and experience appropriate for Atlas Arteria's strategy; and

# ATLIX Board Charter

- the ATLIX Board should contain sufficient diversity in line with Atlas Arteria's Diversity and Inclusion Policy to enable Atlas Arteria to achieve and maintain its diversity objectives.

## Non-executive Director Board Selection Process

The ATLIX Board, in consultation with the Atlas Arteria Nomination and Governance Committee, determines the composition of the ATLIX Board. The ATLIX Board, together with the Atlas Arteria Nomination and Governance Committee, will review the skills represented by the Directors on the ATLIX Board and determine whether the composition and mix of skills remain appropriate for Atlas Arteria's strategy.

## Meetings

The ATLIX Board will have at least five scheduled meetings per year as well as strategic workshops and periodic site visits, with additional meetings being scheduled as the Chair of ATLIX shall deem appropriate in order for the ATLIX Board to fulfil its duties. In addition, the Company Secretary is required to convene a meeting if requested to do so by any Director.

It is expected that all ATLIX Board Meetings will take place in Bermuda and must do so where the ATLIX Board is required to do so for substance purposes under Bermuda law.

## Committees

The ATLIX Board may from time to time establish (including jointly with the ATLAX Board) committees to assist it in the discharge of its duties, and, where appropriate, may delegate any of its powers to a committee or committees. No committee established jointly with the ATLAX Board will be delegated decision-making powers by the ATLIX Board, including with respect to ATLIX risk management and operational decisions, which are decisions that must be made by the ATLIX Board.

There are four standing Atlas Arteria Committees established jointly with the ATLAX Board. These standing Atlas Arteria Committees have written Charters setting out matters relevant to the composition, responsibilities and administration of such committees, and other matters that the ATLIX Board may consider appropriate:

- Atlas Arteria Audit and Risk Committee – comprised of a minimum of three members, at least one of whom is an ATLAX Director (but not also an ATLIX Director) and at least one of whom

is an ATLIX Director (but not also an ATLAX Director). A majority must be independent Directors and the Chair of the Committee must be an independent Director who is not the chair of either the ATLAX Board or the ATLIX Board;

- Atlas Arteria Nomination and Governance Committee – comprised of a minimum of three members, at least one of whom is an ATLAX Director (but not also an ATLIX Director) and at least one of whom is an ATLIX Director (but not also an ATLAX Director). A majority must be independent Directors and the chair must be an independent Director;
- Atlas Arteria People and Remuneration Committee – comprised of a minimum of three members, at least one of whom is an ATLAX Director (but not also an ATLIX Director) and at least one of whom is an ATLIX Director (but not also an ATLAX Director). A majority must be independent Directors and the chair of the Committee must be an independent Director; and
- Atlas Arteria Safety and Sustainability Committee – comprised of a minimum of three members, at least one of whom is an ATLAX Director (but not also an ATLIX Director) and at least one of whom is an ATLIX Director (but not also an ATLAX Director). A majority must be independent Directors and the chair of the Committee must be an independent Director.

The ATLIX Board will appoint one ATLIX Director from each Committee as its delegate, to report on the respective Committee's work at the next scheduled ATLIX Board meeting. Minutes of each meeting will be prepared and circulated to all ATLIX Directors, subject to any conflicts.

Notices of meetings and Committee papers are provided to all Atlas Arteria Directors and any Directors not on the relevant Atlas Arteria Committee have a standing invitation to attend.

## Relationship with Management

Atlas Arteria's Delegation of Authority Policy outlines those matters specifically reserved for the decision of the ATLIX Board and those delegated to the CEO who can sub-delegate authority where appropriate.

The ATLIX Board monitors the division of responsibilities between the ATLIX Board and management to satisfy itself that they continue to be appropriate to the needs of ATLIX.

# ATLIX Board Charter

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## Induction and Training

### Induction

Each new Director will upon appointment, participate in an induction programme. This will include discussions with the Chair of ATLIX, the CEO, the CFO, the General Counsel and other relevant executives to gain an understanding of Atlas Arteria, including the stapled structure and Atlas Arteria's businesses, assets, corporate structure and risk profile.

### Training

Directors should ensure that they keep themselves adequately informed in respect of relevant industry and regulatory issues and changes.

Each Director will be invited to participate in:

- internal training sessions and workshops organised from time to time in respect of relevant industry and regulatory issues; and
- site tours organised from time to time.

Any other training requirements should be discussed with and if appropriate arranged by the Company Secretary (with the Chair of ATLIX's approval).

## Performance Evaluation

The ATLIX Board will assess its performance and that of each Atlas Arteria Committee and each Director annually and, for any individual Director, prior to recommending their re-election at an annual general meeting.

## Access

The ATLIX Board may seek further information on any issue, including requesting that particular executives present to it on the performance, strategy or outlook for Atlas Arteria or particular assets.

Each Director will have direct access to the CEO, the CFO and Company Secretary and to any other staff member through the CEO or Company Secretary.

Each Director shall have the ability to take independent professional advice at the expense of ATLIX where that Director considers it necessary to carry out their duties and responsibilities, subject to obtaining:

- the prior approval of the Chair of ATLIX (or in the case of the Chair of ATLIX, the Chair of the Audit & Risk Committee); and

- an estimate of the costs and the costs being reasonable.

## Charter Review

The ATLIX Board will review this Charter once every two years to keep it up to date and consistent with the ATLIX Board's objectives and responsibilities.

## Publication

Copies of this Charter and the Charters of the Atlas Arteria Audit and Risk Committee, Nomination and Governance Committee, People and Remuneration Committee and Safety and Sustainability Committee are to be made available on Atlas Arteria's website.

# ATLIX Board Charter

## Appendix 1

### Independence Requirements

A Director will be considered independent if not a member of management, and if they are free of any interests or relationships that might interfere, or might reasonably be seen to interfere with the Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of ATLIX rather than in the interests of an individual securityholder or other party.

The independence of each Non-executive Director (**NED**) is considered prior to appointment and then confirmed annually by the ATLIX Board.

Prior to the consideration of Director independence, each NED is asked to declare whether they have any interests or relationships that could materially interfere with the Directors ability to act in the best interests of ATLIX and independently of management (**Director Declaration**).

A NED will normally be considered independent if they:

- are not a substantial shareholder of Atlas Arteria or of a company holding more than five per cent of Atlas Arteria's voting stock or an officer or employee of or professional adviser to, or otherwise associated directly with, a shareholder holding more than five per cent of Atlas Arteria voting stock;
- have not been employed within the last three years in an executive capacity by Atlas Arteria or any of its group members or been a Director after ceasing to hold any such employment;
- have not been a partner, Director or senior employee of a material professional adviser to Atlas Arteria and any of its group members within the last three years;
- have not had a material business relationship, including as a supplier, professional adviser, consultant or customer, within the last three years with Atlas Arteria or any of its group members or an officer of, or otherwise associated with, someone with such a relationship;
- have not been a Director for such a period that their independence from management and substantial holders may have been compromised;

- do not have a material contractual relationship with Atlas Arteria or any of its group members other than as a Director; and
- do not have any other interests or relationships (including close personal ties with any person who falls within any of the categories described above), that could materially interfere with the Director's ability to act in the best interests of Atlas Arteria as a whole rather than the interests of a security holder or other party.

Further, to be considered independent a NED should not receive performance-based remuneration (including options or performance rights) from, or participate in an employee incentive scheme of ATLIX.

The Atlas Arteria Nomination and Governance Committee reviews each Director Declaration, tenure and the materiality of any interests or relationships disclosed by the NED. Materiality is assessed having regard to each individual Director's circumstances, the circumstances of the supplier, customer or advisor and any other significant relationships with Atlas Arteria or any of its group members.

The ATLIX Board manages potential conflicts that may arise from disclosed business relationships or interests in accordance with its guidelines for ATLIX Board members declaring and dealing with conflicts of interest.

A Director who is or within the last three years has been a partner, Director or senior employee of a professional adviser will not participate in any consideration of the possible appointment of the professional adviser and will not participate in the provision of any service to Atlas Arteria or any of its group members by the professional adviser.

If any independent Director has been determined by the ATLIX Board as independent despite not satisfying all the criteria mentioned above this will be noted in their descriptions in any Atlas Arteria public disclosures and reasons will be provided for any independence determination.