REMUNERATION REPORT

Message from the People and Remuneration Committee Chair

On behalf of the Atlas Arteria People and Remuneration Committee and Boards, I am pleased to present the Remuneration Report for the 2023 financial year. This report contains detailed information regarding the remuneration arrangements for the Directors and Senior Executives who were Key Management Personnel (KMP) for Atlas Arteria during the year.

In 2023, Atlas Arteria faced several challenges including rising bond yields and the introduction of a new French tax, both of which had an impact on security price performance. However, management demonstrated steadfast dedication to extracting value from our businesses, navigating a period of consolidation for Atlas Arteria.

Despite these challenges, Atlas Arteria delivered a strong financial performance with both weighted average traffic and toll revenue exceeding 2022 levels, up 3.3% and 6.9% respectively. This predominantly reflects the robust traffic performance of APRR and the addition of the A79, as well as the positive impact of inflation linked tolls which drove strong revenue outcomes. As a result of our overall financial performance for 2023, the Boards are expecting to pay a distribution of 40.0 cents per security to our securityholders for the 2023 year.

Key strategic milestones were achieved during the year including the following:

- Completion of the Chicago Skyway 12-month transition plan including:
  - Successful regearing at Chicago Skyway to release capital for securityholders;
  - Advanced the transition to a whole-of-life asset management culture;
  - Optimised operations including commencing design of a new back-office system;
  - Enhanced the leadership team including appointment of a new CFO and COO; and
  - Incorporated Chicago Skyway into Atlas Arteria's emission reduction targets.
- Appointed as part of the Eiffage and APRR consortium for exclusive negotiation on the A412 in France.
- Submission of a rate case to the SCC requesting an increase in the maximum level of tolls at Dulles Greenway;
- Completion of operating model review for Atlas Arteria to optimize capability and capacity across the group which is being implemented;
- Redefined our strategy, positioning the business for long-term success.

Across 2023 we have continued to progress our commitment on each of our sustainability priorities – safety, our people, customers, community and environmental stewardship. We continue to make good progress on our emissions profile, reducing our total scope 1 and 2 emissions through the purchase of renewable energy at most of our businesses and in our corporate offices. We have launched a new program targeted at strengthening connections with our communities and customers which we will see evolve further in 2024. We again achieved an A rating on the GRESB Infrastructure Public Disclosure Report increasing our score from 80 to 87 and were ranked second in the Asia-Pacific Transport sector. Further details on our progress will be shared in our Sustainability Report to be published in April 2024.

Addressing stakeholder feedback

Atlas Arteria received a strike against its Remuneration Report at the 2023 AGM. Our subsequent discussions with securityholders confirmed their primary concern was with the use of positive discretion in 2022 on the MD & CEO's remuneration outcome, as well as highlighting some aspects of the Remuneration Framework that they considered to be misaligned with industry peers.

The Boards have spent considerable time during the year reflecting on the feedback and reviewing all of Atlas Arteria's remuneration processes and practices. The review process has taken into account the need to balance the interests of our securityholders, while maintaining competitive and contemporary remuneration practices. As a result of the review, we are proposing a number of changes to the Atlas Arteria Remuneration Framework including enhancements to governance processes that are outlined in this report.

2023 remuneration outcomes

Atlas Arteria's Remuneration Framework seeks to align executive remuneration outcomes with the performance of the business and the interests of securityholders.

Our people are at the core of everything we do and we continue to invest in their growth and development. We are proud of our ability to continue to attract and retain top talent across our diverse global workforce. We recognise the importance of responding to critical matters that impact the safety, wellbeing and engagement of our people and have focused our energy in 2023 on matters related to psychosocial risk. We pride ourselves on being a truly inclusive organisation and focused our efforts in 2023 on looking at ways to bring our STEER[1] Principles to life. We continue to cultivate a high-performance culture where our people feel engaged and connected to the work we do, the communities in which we operate, and to each other.

1. STEER principles – Safety, Transparency, Engage, Environmental and Respect.

The decisions made to align remuneration with securityholder expectations more effectively during 2023 included:

Remuneration outcomes

- **Executive Remuneration Level and Structure:** A full remuneration benchmarking exercise was completed in 2023. In the context of securityholder experience in the last 12 months, the Boards have determined to retain MD & CEO remuneration at current levels for 2024, noting that this level is below the benchmarked market median. Details of the outcome of the review are included in section 7.1.
- **2023 STI outcomes:** The STI outcomes for the 2023 performance year have been assessed as, on-average, at target for non-financial KPIs and above target for financial KPIs.
- **2021 LTI outcome:** The 2021 Long-Term Incentive (LTI) Award was tested at the end of the performance period on 31 December 2023. The result was a partial vesting with 50.73% of the award vesting.
- **NED fees:** A full review of NED fees, including an external benchmarking exercise, was completed during the year. The Boards have decided to cease the use of travel allowances with existing base fees being adjusted to include an amount equivalent to one international trip per year, noting that aggregate NED fees remain below market median levels.

Remuneration governance: As part of the changes introduced during 2023, there is now a single PRC responsible for the oversight of people and remuneration. This change has helped to drive clarity and improve effectiveness in the way we oversee remuneration matters, while at the same time maintaining the high level of engagement of ATLAX and ATLIX Directors on these critical matters.

Enhancements to Remuneration Structure and Disclosures

The Boards have conducted a thorough review in 2023 on all aspects of executive remuneration at Atlas Arteria in response to securityholder feedback. The Boards aim to ensure that the remuneration practices continue to be appropriate for the business, aligned to securityholder interests and consistent with contemporary practices. We take securityholder feedback seriously, and the changes we are introducing in 2024 underscore our commitment to addressing these concerns. We will continue to engage with securityholders in relation to remuneration at Atlas Arteria.

As part of the 2023 review process, the following changes to the Remuneration Framework have been introduced for 2024:

- **Use of Board discretion:** Update the guidelines used to govern the use of discretion for executive remuneration decisions to limit the exercise of positive discretion to exceptional circumstances and where financial performance materially exceeds securityholders' expectations. Details are included in section 3.3.1.
- **STI Weighting to Financial Measures:** Revise the weightings of the STI plan to emphasise the importance of achieving our financial targets and meeting our Health and Safety and ESG obligations. The 2024 STI will include financial measures with a 70% weighting, ESG and safety measures with a 15% weighting and specific business priorities with a weighting of 15%.
- **LTI Performance Period:** Amend the performance period for the LTI plan to a 4-year period for executive KMP.
- **LTI KPI Targets:** Introduce a new second measure to the LTI plan. The 2024 plan will retain relative TSR with a 70% weighting and introduce a new measure based on Free Cash Flow per security with a 30% weighting. This combination of measures provides clear alignment to long-term strategic priorities, are clear and quantifiable and designed to meet the expectations of securityholders.
- **Dividend Equivalent Payments:** Remove Dividend Equivalent Payments (DEPS) from future equity award grants.
- **Adjustments to Financial KPI's:** Include additional disclosures regarding the adjustments made to reported EBITDA and other measures when assessing financial performance for STI purposes. Further details are included in section 3.3.2.

Securityholders will be asked to approve the equity based STI and LTI awards for the MD & CEO at the 2024 AGM.

I have confidence that you, our securityholders, will find the 2023 Remuneration Report to be clear in outlining our remuneration practices. I trust that the adjustments made by the Boards in response to feedback will instil confidence in our approach, and I hope you recognise the value of the implemented changes and improved clarity they will provide.

David Bartholomew
Atlas Arteria
People & Remuneration Committee Chair

This Remuneration Report contains the following sections:

1. Introduction

The Directors of the Groups present the Remuneration Report prepared in accordance with section 300A of the *Corporations Act 2001* for the Groups and the consolidated entity for the year ended 31 December 2023. The information provided in this Remuneration Report has been audited as required by section 308(3C) of the *Corporations Act 2001*. This Remuneration Report forms part of the Directors' Reports.

2. Who is covered by this report?

This Remuneration Report outlines the Remuneration Framework and outcomes for the ATLAX Group and Atlas Arteria Key Management Personnel (KMP). The obligation under the *Corporations Act* to provide a remuneration report only applies to ATLAX as an Australian listed Group. However, given the stapled securityholding structure, the Boards of both ATLAX and ATLIX and the Atlas Arteria PRC have worked together on the Remuneration Report with the disclosures extended to cover all of the Atlas Arteria KMP.

For the purposes of this Report, KMP are those persons having authority and responsibility for planning, directing and controlling the major activities of the Groups.

The individuals covered by this Remuneration Report are:

Name	Role	Date of appointment
Management		
Graeme Bevans	Managing Director & Chief Executive Officer	1 April 2019
David Collins	Chief Financial Officer	30 August 2022
Vincent Portal-Barrault	Chief Operating Officer	1 April 2019
Non-executive Directors		
Debra Goodin*	Independent Non-executive Chair (ATLAX) and Independent Non-executive Director (ATLIX)	1 November 2020 as Chair of ATLAX (Director of ATLAX from 1 September 2017 and Director of ATLIX from 1 November 2020)
David Bartholomew	Independent Non-executive Director (ATLAX) People and Remuneration Committee (PRC) Chair	1 October 2018
Jean-Georges Malcor	Independent Non-executive Director (ATLAX)	1 November 2018
John Wigglesworth	Independent Non-executive Director (ATLAX) Audit and Risk Committee (ARC) Chair	1 January 2023
Ken Daley	Independent Non-executive Director (ATLAX)	30 May 2023
Laura Hendricks	Independent Non-executive Director (ATLAX)	16 October 2023
Fiona Beck	Independent Non-executive Chair (ATLIX)	1 March 2023 as Chair of ATLIX (Director of ATLIX from 13 September 2019)
Andrew Cook	Independent Non-executive Director (ATLIX)	25 November 2020
Kiernan Bell	Independent Non-executive Director (ATLIX)	1 September 2023
Former Non-executive Directors		
Jeffrey Conyers	Independent Non-executive Chair (ATLIX)	16 December 2009 (Retired 1 March 2023) Chair of ATLIX until 1 March 2023
Caroline Foulger	Independent Non-executive Director (ATLIX) Audit and Risk Committee (ARC) Chair	19 May 2020 (Retired 1 July 2023)

* As contemplated by the Co-operation Deed in place between ATLAX and ATLIX, the ATLIX Board includes a Director of ATLAX (Debra Goodin) to facilitate and promote co-operation and consultation between the two Boards.

3. Remuneration Framework review

3.1 Our response to the 2022 strike

At Atlas Arteria's 2023 AGM securityholders voiced their concerns with our 2022 remuneration outcomes, in particular executive remuneration read together with the business' 2023 financial performance and securityholder outcomes. This resulted in Atlas Arteria receiving a first strike against our Remuneration Report (2022 strike). In response to these concerns, the Boards have actively engaged with securityholders to understand the issues raised and are taking appropriate steps to ensure our remuneration practices align with expectations, and at the same time retaining our skilled and engaged workforce.

A structured review process was undertaken during 2023 to ensure a full and comprehensive review of our Remuneration Framework. This encompassed the areas highlighted by securityholders, along with an assessment of all related policies, processes, and procedures. In summary, the review process involved:

- Consolidating feedback from securityholders to have a clear view of the issues that motivated the 2022 strike;
- Developing a comprehensive project plan to ensure a considered and timely approach to address the feedback received;
- Reviewing market data and obtaining external advice in relation to comparator and ASX listed company practices from our advisers to understand and assess potential alternatives;
- Reviewing proposed changes against the Atlas Arteria business strategy and remuneration principles to enable any changes to consider both internal and external factors appropriately; and
- Engaging with securityholders to capture feedback on the proposed changes.

The Boards are focussed on implementing a Remuneration Strategy that best fits Atlas Arteria to incentivise management to maximise securityholder outcomes.

The following table summarises the concerns raised at the 2023 AGM and the response from the Atlas Arteria Boards.

Topic	Board response
Exercising positive discretion over the MD & CEO's 2022 STI outcome	– As part of the 2022 STI evaluation for the MD & CEO, the Boards exercised positive discretion to increase the overall outcome from 105% of target to 120% of target – a discretionary award of 15%. While the Boards believed there was a clear rationale for this decision at the time given the MD & CEO's strong performance in 2022, this view received adverse commentary from securityholders. – As part of the 2023 Remuneration Framework review, the guidelines that govern the use of discretion for executive remuneration were reviewed against market practice and securityholder expectations. We have put in place guidelines that the Boards will use when they look to exercise discretion – both positive and negative. Based on these guidelines, the Boards will only exercise positive discretion where financial performance materially exceeds securityholder expectations. The *Discretion Guidelines* are published in the Remuneration Report, refer section 3.3.1. – The Boards believe these changes will enable greater transparency and ensure any future use of discretion, both positive and negative, is aligned with the expectations of securityholders.
Weighting of financial targets for the STI plan for KMP executives	– In 2022, to accommodate the inclusion of a 10% ESG measure in the KMP and executive STI plan, the weighting for the financial component was reduced to 60% (from 70%) with the weighting for the strategic component retained at 30%. – The introduction of an ESG measure was well received by securityholders as it recognised the importance of linking executive remuneration outcomes to the achievement of ESG priorities. However, there were concerns raised about the adjusted weighting assigned to the financial component, suggesting it was too low in comparison to peers. – A detailed review of market practice by companies in the ASX100 identified a range of approaches and confirmed that the typical weighting of the financial component ranges from 50%-70% of the total STI scorecard. – The Boards have considered the market data and securityholder feedback and have concluded it is appropriate to increase the STI weighting for the financial component back up to 70% for 2024. Other changes to the weightings include increasing the weighting of the ESG/safety component to 15% and a key business priorities component of 15% with stretch targets set that are tailored to individual KMP accountabilities focussed on increasing securityholder value. – The Boards believe the revised weightings will provide an appropriate and balanced incentive to management to achieve the annual financial targets, meet our investors' expectations in relation to ESG (including health and safety) and to drive our key business priorities. – Further details of the STI plan weightings are included in section 5.4.

Topic	Board response
Number of LTI performance measures	– Securityholders raised concerns that the 2023 LTI plan, with only one performance measure, is too narrow and inconsistent with market practice and that it is common to include a second quantifiable measure in LTI plans to ensure a balanced approach. – As part of the 2023 review, the Boards have decided to introduce a Free Cash Flow per security measure as being the most appropriate second LTI measure given that cash flow is critical to meeting securityholder expectations of our dividend profile and critical in underpinning our valuation and security price. The Boards have previously considered the introduction of a Free Cash Flow per security as a second measure but decided not to proceed for a number of reasons at the time such as during COVID or at the time of the Chicago Skyway acquisition. – The proposed 2024 LTI plan will retain relative TSR and reduce it from 100% to 70% and include Free Cash Flow per security at 30%. This combination provides alignment to long-term strategic priorities, is clear and quantifiable and is designed, on balance, to meet the expectations of securityholders. This approach also aligns more closely with market practice. Details of the proposed change are included in section 3.2.
Appropriateness of LTI performance period	– Some securityholders questioned the duration of the LTI performance period at three years and whether it was in line with relevant peers. – A detailed review of market practice confirmed that while the 3-year performance period is still the dominant approach adopted by companies in the ASX100, there is a movement in some sectors to a 4-year performance period for LTI plans. – Given the practice of our closest peers is to use a 4-year performance period and the longer-term nature of the Atlas Arteria investment proposition for investors, the Boards have determined a 4-year performance period will enhance the alignment of executive KMP with investors and will apply to the 2024 LTI grants.
Distribution Equivalent Payments (DEPs)	– The Atlas Arteria LTI plans have historically provided for an award of DEPs (either by way of an additional grant of securities or by a cash payment) on performance rights that have vested. The Boards considered that the inclusion of distribution equivalents improved the alignment between management and securityholders where the investment proposition was based on both yield and security price growth. – Some securityholders provided feedback indicating that the continued use of DEPs is uncommon and deemed inappropriate as a feature of the Atlas Arteria LTI Plan. The 2023 review of remuneration practices confirmed the use of DEPs is limited within the ASX100. – On reviewing feedback from investors and market practice of peer companies, the Boards have decided to cease the use of DEPs as part of the Remuneration Framework for equity awards made from 2024.
Travel allowance for Non-executive Directors (NEDs)	– Reflecting the international nature of the Atlas Arteria business, NEDs have historically received a travel allowance of $10,000 for each time they are required to travel more than eight hours to attend Board meetings. Concerns were raised about the ongoing use of travel fees for NEDs and whether this was consistent with market practice. – A full review of NED fees was completed in 2023 to ensure that fees remained appropriate and competitive to attract high performing Directors. The review included consideration of the use of travel allowances by comparable companies, specifically global companies where regular international travel by NEDs is expected. Pending the outcome of a review of NED fees, no travel allowance fees were paid in 2023 even though NEDs were required to travel internationally during the year. – The review also identified that while travel allowances were used by some similar companies, other companies adopted a simpler approach and included fees for travel time in their overall base fees. – The Boards have decided to adopt an approach that incorporates travel time in the base fees. Accordingly, the payment of travel fees to NEDs will cease and the existing base fees will be adjusted to include an amount in respect of one international trip per year. It is noted that with the inclusion of this increase in base fees, Directors will continue to be paid below the benchmarked median.
Additional detail needed on adjustments to STI financial measures	– Consistent with other companies, the Boards, when assessing financial performance for STI purposes, make adjustments to the reported financial results. This is done to ensure that STI awards accurately reflect the performance of the underlying operations of the business and the contribution of MD & CEO and other executive KMP on managing the controllable factors to achieve annual earnings targets. – Some securityholders have requested that we provide more information in the Remuneration Report to explain the rationale for the various adjustments to STI financial measures. – The Boards acknowledge this feedback and are committed to enhancing the level of disclosure provided to securityholders regarding the adjustments to reported EBITDA and other financial measures used in assessing financial performance. – The enhanced disclosures have been included in section 3.3.2.

3.2 Changes to the Atlas Arteria Remuneration Framework

During 2023, the People and Remuneration Committee completed a comprehensive review of Atlas Arteria's Remuneration Framework. The table below provides a summary of changes that have been made and are being put in place for 2024.

Remuneration component	Feature	2022	2023	2024
Remuneration benchmarking	**Peer group**	ASX 25-100	Selected industry comparator ASX 200 companies	No change
Short-term incentive	**Weighting**	STI weighting made up of the following: – 60% Financial – 30% Strategic – 10% Safety and ESG	No change	STI weighting made up of the following: – 70% Financial – 15% Safety and ESG – 15% Business Priorities
	Target setting	Targets for KMP are set relative to role for strategic goals/priorities. Targets for financial, safety and ESG shared for all KMP	No change	Board to endorse targets related to Financial, Safety and ESG and Business Priorities All targets will have quantifiable measures
Long-term incentive	**Performance period**	3-year performance period	No change	4-year performance period
	Performance measures	Use of two measures for LTI plan: – Relative TSR with a positive TSR gateway (50%) – Strategic measures (50%)	Use of single measure for LTI plan: – 100% relative TSR with a requirement for a positive TSR gateway	Use of two measures for LTI plan: – Relative TSR with a positive TSR gateway (70%) – Free Cash Flow per security (30%)
	Use of Dividend Equivalent Payments (DEPs)	DEPs payable on vested LTI awards	No change	DEPs not payable
Non-executive Director fees	**Travel fee**	Travel fee of $10,000 for ATLAX Directors/ US$7,500 for ATLIX Directors – Fee payable per trip over 8 hours	No change Directors voluntarily waived the travel allowance for 2023	No travel fees payable Base fees for 2024 increased by an amount equivalent to one travel fee

3.3 Improving transparency

3.3.1 Guidelines for the use of discretion

The existing guidelines on the use of discretion at Atlas Arteria have been reviewed based on the feedback received from securityholders. These guidelines operate to allow consideration of the need to exercise discretion on:

- An ongoing basis in response to situations that may require discretion to be considered; and
- At the time decisions in relation to reasonableness and fairness of the actual variable pay outcomes are being made.

The 2023 review has focused on strengthening the language used in the guidelines and providing further clarification on the circumstances that would justify the use of positive discretion in any future variable pay decisions by the Board. To embed these guidelines, the Board will continue to ensure the following:

The adoption of a formal process at the time any of the following events are reviewed to consider the exercise of discretion to adjust variable pay outcomes accordingly. These events include:

- A significant safety, environmental or governance event;
- A material financial event or outcome or major corporate activity or change in the portfolio;
- A significant behavioural concern or reported breach of the STEER[2] Principles;
- The approval of STI outcomes;
- The approval of the release of deferred STI equity awards;
- The LTI grants;
- Performance reviews; and
- Where clawback provisions have been triggered.

Circumstances where the exercise of discretion will be considered include situations where there have been:

- Misalignment between STI scorecard outcomes and business financial performance;
- Unintended windfall gains or losses; and
- Changes to business plans that are not adequately addressed in the original STI or LTI targets.

It is important to address how the use of positive discretion will be managed going forward. The positive exercise of discretion will only be considered in the following exceptional circumstances:

- Above expected returns delivered for securityholders during the year – for example higher than forecast distributions, top quartile TSR performance and/or security price growth;
- Financial performance that materially exceeds securityholder expectations;
- Where STI or LTI targets become obsolete as a result of a material financial event, corporate activity or change in the portfolio; and
- Where appropriate disclosures are included in the Remuneration Report that outline the evidence and rationale for the use of the discretion.

The exercise of negative discretion will be considered in circumstances such as the following:

- Significant safety incident/s at one of our wholly or majority-owned businesses;
- Significant safety incident/s at one of our minority-owned businesses (with discretion limited to the ESG component of the STI);
- Adverse risk findings during the year;
- Individual behaviours that are inconsistent with the STEER Principles; and
- Adverse financial outcomes that are materially below securityholder expectations.

3.3.2 STI adjustments for financial measures

When assessing financial performance for STI purposes, the Boards make adjustments to the reported financial results. This ensures STI awards accurately reflect the performance of the underlying operations of the business, emphasising the contribution of the MD & CEO and other executive KMP on managing the controllable factors effectively to achieve annual earnings targets. Details of these adjustments are included in section 7.2.

The Board has considered the following in relation to the adjustments:

- A consistent approach is adopted when setting targets and assessing performance from year to year;
- Targets are set and performance is measured on a consistent basis each year by ensuring annual STI financial targets are set excluding the costs of STI and LTI awards and without any allowance for Board approved projects;
- A reconciliation between the reported earnings and the earnings for STI purposes is provided below;
- No adjustments are made to the targets or to assessment of the target for distributions payable to securityholders; and
- The ALX security price will reflect the actual position of the business which in turn impacts the TSR calculation for LTI purposes.

2. STEER principles – Safety, Transparency, Engage, Environmental and Respect.

4. Our Remuneration Framework at a glance

Included below is a summary of the 2023 Remuneration Framework for the management team. Further details regarding our remuneration arrangements are provided in the remainder of this Remuneration Report. A number of important changes to this Remuneration Framework are proposed for 2024 and are set out in section 3.2.

OUR VISION

Our vision is to benefit the communities in which we operate through reduced travel time, greater time certainty, reduced fuel consumption and carbon emissions and to provide an enjoyable travel experience.

OUR VALUES

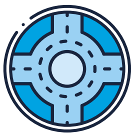
Our values guide the decisions we make and the way we behave as we work together towards our vision. In living and breathing our values, we can create strong growth for securityholders and better outcomes for our customers, our communities and our people. To us, great performance is as much about how we get there and not just the end result. That's why our people's success is evaluated against our five values, along with their role responsibilities.

OUR GUIDING VALUES

When we are guided by these values, we are acting in the best interests of one another, our securityholders, our customers and our communities. In this way, together, we're driving better outcomes.

Safety is at our heart

Transparency in all we do



Engage for better outcomes

Environmentally and socially responsible

Respect in every interaction

Executive remuneration framework overview

Remuneration principles	Simple Balance short and long-term needs	Maintain contemporary and competitive practices Reflect our values and behaviours	Specific and differentiated performance outcomes Securityholder alignment
Remuneration elements	**Fixed remuneration** Salary and superannuation Reviewed annually against comparator benchmarks	**Short-Term Incentive** Annual incentive delivered 50% in cash and 50% in restricted securities	**Long-Term Incentive** Annual award of performance rights with a 3 year performance period in 2023 and 4 year performance period in 2024
Purpose	Executive remuneration levels should be competitive with companies of similar size and complexity	To align the interests of securityholders, executives and other participants as determined by the Boards	Rewards long-term value creation for securityholders
How aligned to performance	Recognises the market value of an individual's skills, experience, accountability and their contribution in delivering the requirements of their roles	A combination of financial measures and non-financial measures relating to specific business outcomes and taking account of behaviours and conduct	Vesting based on achieving challenging performance targets
Performance measures	An individual's skills, experience, accountability and contribution in delivering the requirements of their roles	Assessment of performance against a balanced scorecard of financial measures (weighted 60%), ESG (10%) and non-financial strategic measures (30%) with challenging targets set by the Boards based on the business priorities for the year.	Relative total securityholder return (TSR) compared to a comparator group of local and international infrastructure companies For 2022 only, a strategic measure was introduced with vesting based on demonstrated delivery of securityholder returns A positive TSR gateway applies before vesting occurs In 2024, a second LTI measure based on achieving cash flow target has been introduced with a 30% weighting
Performance targets		Measures are set to reward delivery of returns and value creation for securityholders	Measures performance against local and international infrastructure companies
Alignment to securityholders	Minimum securityholding requirements to be accumulated within five years	STI deferral to restricted securities	Measures aligned to creation of value for securityholders
Governance	Ability to exercise discretion as required over remuneration decisions to ensure that remuneration outcomes: – Reflect the performance of the Groups and the individual executives; and – Are consistent with securityholder expectations. All variable remuneration is subject to malus adjustment.		

5. Executive Remuneration Framework

5.1 Remuneration principles

The following six principles underpin the management of the Remuneration Framework at Atlas Arteria. The principles which were reviewed by the PRC during the year provide guidance on how remuneration decisions are made and how remuneration outcomes are determined.

The executive Remuneration Framework should be:	Description
Simple	Be simple to understand, implement and communicate
Balance short and long-term needs	Align the interests of our people and our company by ensuring a clear link between remuneration and both short and long-term business performance
Maintain contemporary and competitive practices	Use market competitive and contemporary practices to ensure we can attract, retain, and motivate the right talent
Reflect our values and behaviours	Align reward with demonstrated behaviours and actions consistent with our STEER principles, business priorities and stakeholder expectations
Specific and differentiated performance outcomes	Support a high-performance culture with specific performance measures for individual employees they can influence
Securityholder alignment	Encourage equity ownership so that employees have 'skin in the game,' aligning individuals to securityholder returns

5.2 Positioning and mix of executive remuneration

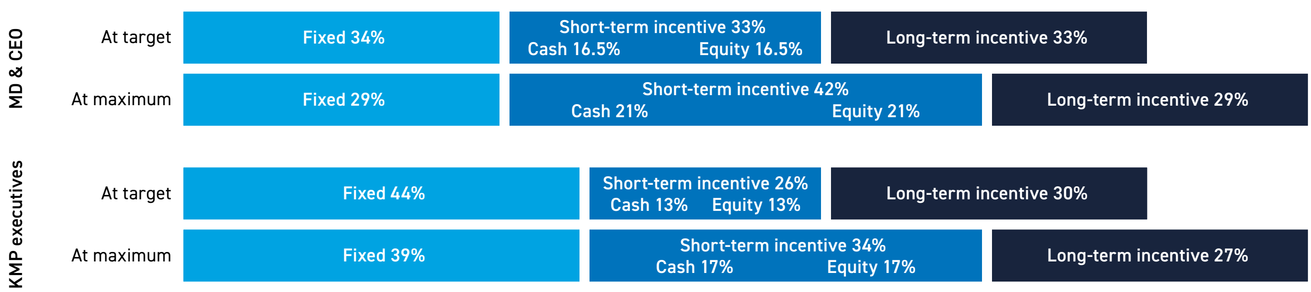
The Remuneration Framework for the Executive Team aims to achieve balance between:

- Fixed and performance-based remuneration;
- Short and long-term performance incentives;
- Financial, non-financial and strategic outcomes; and
- Remuneration delivered in cash and equity.

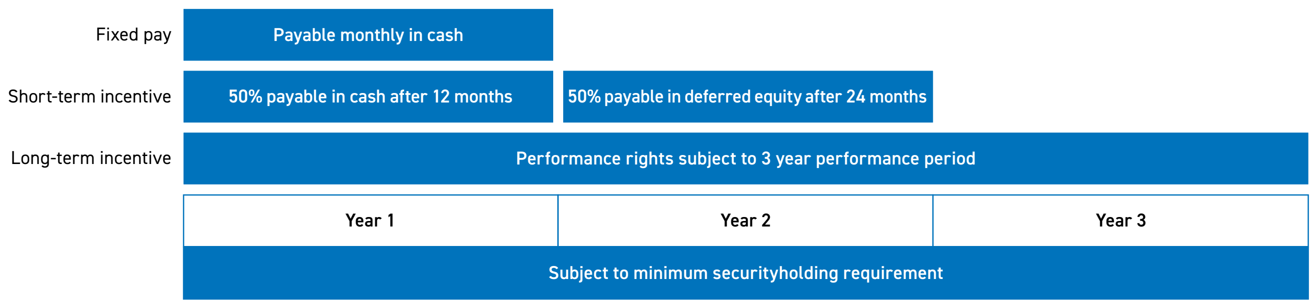
To ensure our remuneration quantum and structure is market competitive, reference is made to the median of a group of ASX listed comparator companies of similar size and complexity to Atlas Arteria. The remuneration arrangements of selected industry comparators are also considered for each role.

The target and maximum remuneration for 2023, together with the timeframe over which the different elements of the framework are delivered for the MD & CEO and the executive KMP, are represented in the graphs below. [3]

Remuneration mix



Remuneration delivery



3. Timing of payment of STI components from commencement of performance period.

5.3 Fixed pay

Fixed pay recognises the market value of an individual's skills, experience, accountability and their contribution in delivering the requirements of their roles. Fixed pay includes base pay and superannuation.

The PRC has selected (and reviews periodically) a peer group of ASX listed companies for the purposes of benchmarking both fixed and variable remuneration for the Australian based executives. The peer group reflects the size and complexity of Atlas Arteria and includes companies with significant international operations, similar scale and scope of business and market capitalisation. The peer group is not solely based on market capitalisation, as the PRC believes this would lead to inappropriate remuneration outcomes and distortions in remuneration levels that are not reflective of the scale and complexity of our business. A similar approach is adopted based on European and US companies for executives in those locations.

Securityholders were advised in the 2022 Report, that the Boards would undertake a review of fixed pay during 2023 to ensure our remuneration levels are competitive with companies of similar size and complexity. This review was concluded during the year and further information on the outcomes of the review is included at section 7.1.

5.4 Short-Term Incentive Plan

Details regarding the STI arrangements for the executive KMP are set out below. The size of each STI award is capped at an agreed percentage of fixed remuneration for each executive. The value of the STI payment made at the end of the performance period is a function of performance against a balance of financial and non-financial performance measures aligned with Atlas Arteria's annual business plans.

Element	Description
Opportunity	The STI is subject to achievement of defined performance targets. The target STI opportunity represents an opportunity to earn 100% of fixed remuneration for the MD & CEO and 60% of fixed remuneration for the other executive KMP. When assessing performance, the Boards have discretion to increase or decrease an STI award subject to an overall cap of 150% of target.
Performance period	Performance is measured over a one year performance period from 1 January to 31 December.
STI deferral	To assist in creating alignment with securityholders and in achieving the minimum securityholding requirement, 50% of the STI outcome is deferred into restricted securities for a one year period following the conclusion of the performance period, with vesting subject to ongoing service and the discretion of the Boards.
STI objectives	STI targets set for 2023 comprised a combination of financial measures, ESG, including Health and Safety, measures and non-financial measures relating to specific strategic outcomes and taking account of culture and behaviours.
STI weighting – financial and non-financial measures	The Boards believe delivering strong financial performance for our securityholders continues to be a priority. Accordingly, for 2023 the financial component of the STI scorecard has a 60% weighting with the remaining 40% applying to strategic (30%) and ESG (10%) measures. As noted in section 3.2 above, the STI weighting for the financial component has been adjusted to 70% for 2024, the weightings for the ESG/Safety component to 15% and a Key Business Priorities component to 15%.
ESG measures	An ESG measure with a 10% weighting was introduced to the STI Plan in 2022. Inclusion of an ESG measure reflects our commitment to safety, the environment, our people, and our focus on customers and communities. For 2023, targets have been set based on achieving our safety goals, renewable electricity transition (GHG Reduction) and achieving direct renewable supply or carbon credits of at least 90% of electricity usage across our business by end 2023.
Target setting	Targets for financial measures have been determined on the basis that 'target' is equal to budget with 'threshold' at 95% of target and 'stretch' at 105% of target.

5.5 Long-Term Incentive Plan

To align with the interests of securityholders, executives and other participants as determined by the Boards are eligible to participate in an LTIP. Details of the LTIP arrangements of the MD & CEO and executive KMP are set out below. The size of each year's grant is capped at an agreed percentage of fixed remuneration for each executive. The value of the LTIP award made at the end of the vesting period is a function of:

- Atlas Arteria's performance against the relevant performance measures over the performance period. The performance period for 2023 was three years. As noted in section 3.2, this performance period will be 4 years in 2024. These measures include TSR performance relative to a group of Australian and international peer companies and other measures if selected by the Board to address specific strategic priorities from time to time (which determines the number of securities granted that vest);
- The change in the price per Atlas Arteria stapled security (which determines the value of each stapled security that vests); and
- For awards made in the years to 2023, the value of distributions that would have been made during the vesting period to the number of securities that vest (distribution equivalents). As noted above in section 3.1, distribution equivalent payments are no longer included as a feature of the Atlas Arteria equity awards.

As a result, management incentives are aligned with the long-term interests of securityholders to achieve strong performance relative to peers and to generate an appropriate balance of security price performance and distributions.

Element	Description
Opportunity	The maximum grant value of LTIP opportunities represents 100% of fixed remuneration for the MD & CEO and 70% of fixed remuneration for the other executive KMP. The number of awards granted is based on face value and is determined based on the 10 day VWAP immediately following the announcement by Atlas Arteria of its annual results.
Vehicle	Awards are delivered in the form of performance rights. A performance right is a right to acquire one fully paid Atlas Arteria security, subject to meeting pre-determined performance measures.
Performance measure	Historically, LTIP performance has been assessed solely against relative TSR. Relative TSR has been selected as a performance measure as it measures securityholding value creation objectively, can be used for comparing performance across different jurisdictions and is widely understood and accepted by stakeholders. As a one-off intervention, for the 2022 grant, a second LTI performance hurdle (equal to 50% of the LTI award value) was introduced with vesting based on quantifiable improvements in securityholder value from the successful delivery of key strategic objectives (refer to section 7.3 for information on progress against the strategic objectives). – Creating a clear pathway to distributions from Dulles Greenway. – Improving the average concession life of the Atlas Arteria portfolio. Vesting of the remaining 50% of the 2022 LTI award is subject to the same relative TSR measure as applied for previous years. Relative TSR with a positive TSR gateway as a sole performance hurdle was reintroduced for awards under the 2023 LTI Plan. Relative TSR has been selected as the sole performance measure as it measures securityholder value creation objectively, can be used for comparing performance across different jurisdictions and is widely understood and accepted by stakeholders. From with Since 2020, Atlas Arteria's TSR performance has been assessed against a group of approximately 125 OECD-domiciled companies that are included in the Global Listed Infrastructure Organisation (GLIO) index at the start of the performance period. The comparator group may, at the discretion of the Boards, be adjusted to take into account events during the Performance Period including, but not limited to takeovers, mergers, de-mergers or de-listings, so that the outcome appropriately reflects the circumstances. A volume weighted average security price (VWAP) over a 40 business day period prior to the start of a performance period and a 40 business day period to the end of the respective performance period is used for the calculation of TSR performance for the 2020 and subsequent awards. A 40 business day averaging period for calculating the security price for TSR performance helps to eliminate the impact of short-term security price movements on vesting outcomes.
Target setting and Vesting schedule	Relative TSR performance is assessed on a sliding scale, with vesting determined as follows:

Atlas Arteria's TSR performance	% vesting
Below the 51st percentile	0%
At the 51st percentile	50%
Between the 51st percentile & 75th percentile	Pro-rata between 50% & 100%
At the 75th percentile	100%

Awards which have strategic LTI measures will vest based on actual performance with 50% of the award vesting for the minimum acceptable performance and 100% of the award only vesting where challenging performance outcomes are achieved. Details of the quantifiable outcomes will be disclosed in the Remuneration Report for the year of vesting.

Element	Description
Positive TSR Hurdle	A positive TSR hurdle was introduced for the 2021 and subsequent LTI awards which applies in addition to the actual performance hurdles – relative TSR or strategic. For 2024 plans, the positive TSR hurdle will only apply to the relative TSR component. It will not apply to the Free Cash Flow measure being introduced.
Performance period	Performance is measured over a performance period, from 1 January to 31 December. The performance for the 2023 grant will be assessed at the start of 2026 and measured from 1 January 2023 to 31 December 2025. Up to and including the 2023 grants, the performance period has been 3 years. As noted in section 5.5 above, given the practice of our closer peers is to use a 4 year performance period, the longer term nature of the Atlas Arteria investment proposition for investors, and to enhance the alignment of executive KMP with investors the Boards have determined a 4-year performance period will apply to the 2024 LTI grants.
Vesting and allocation of securities	If and when the Boards determine that the performance measures have been achieved, the performance rights will automatically be exercised provided absolute TSR has been positive (where appropriate), and the relevant number of securities will be allocated.
Distribution equivalents payments (DEP)	Distribution equivalents will be payable (via a grant of securities or a cash payment, at the Boards' discretion) on performance rights that have vested, to the value of any distributions paid during the performance period in respect of an equivalent number of Atlas Arteria securities. On reviewing feedback from investors, market practice of peer companies and given the relatively small value attached to DEPs, the Boards have decided to cease the use of DEPs as part of the Remuneration Framework for equity awards made from 2024.

Introduction of free cash flow per security measure to LTI in 2024

A free cash flow (FCF) per security[4] compound annual growth rate (CAGR) measure will be introduced as the second measure for the FY24 LTI plan. The new measure will represent 30% of the LTI, with Total Shareholder Return (TSR) representing the remaining 70%. Cash flow expectations will be used to determine appropriately challenging target and threshold levels. The target for the FY24 FCF measure will be a CAGR of 5.5% over the 4-year performance period, with the threshold for vesting beginning at 4.2%. Vesting of awards is subject to continued service and demonstration of the STEER principles throughout the performance period. Full details of targets and other terms for the FY24 LTI plan will be disclosed in the Notice of Meeting Explanatory Memorandum for the resolution seeking approval of the proposed FY24 LTI grant to the MD & CEO.

5.6 Employee Equity Incentive Plan

The Groups operate an employee equity plan to enable all corporate employees to become securityholders of the Group. The plan was introduced in 2020 to support employee retention, develop the team with a common purpose, share in the success of the business and for employees to become equity holders, and thus increase alignment with securityholders. All corporate employees, other than members of the Executive Team who participate in the LTIP Scheme, are eligible to participate in the plan. Awards to the value of $5,000 were made in the form of share rights with vesting subject to a 3 year service condition. The total value of the equity awarded in 2023 was $99,147.

5.7 Employment contracts

The remuneration and other terms of employment for the executive KMP are formalised in executive contracts. Key contractual terms in place for 2023 are outlined below.

	Contract type	Termination notice by either party	Termination notice with cause	Termination notice by KMP for fundamental change in role
MD & CEO	Ongoing	12 months	Immediate without notice period	30 days within 21 days of fundamental change
CFO and COO	Ongoing	6 months	Immediate without notice period	30 days within 21 days of fundamental change

Securityholders were advised in the 2022 Remuneration Report, that the Boards provided confirmation to the CFO and COO that in the event of a change in control, they would receive a payment equal to 6 months fixed pay (as Atlas Arteria's executive employment contracts do not provide for payments on termination of employment other than for notice), a pro-rata payment under the short-term incentive plan for the period of employment paid out at maximum, and awards made under the long-term incentive plan would vest in accordance with plan rules and would be paid in cash. Entitlement to a payment is conditional on ongoing employment and no payment will arise where either party provides the other party with notice of termination prior to the payment date. These arrangements have been extended for a further 12 months until 31 December 2024.

These arrangements do not apply to the MD & CEO and the normal terms of the various plans will apply in the event of a change of control. Accordingly, in the event of a change of control the following will apply:

- Mr Bevans will be provided with 12 months' notice of termination of employment or a payment of fixed pay in lieu of notice for any period of time not worked where there is a fundamental change to his role.
- The Boards have absolute discretion to determine the treatment of STI awards where there is a change of control and in the event that they do not exercise discretion, cash based STI will be assessed on a pro-rata basis and paid at that time based on performance, and deferred STI will vest in full.
- The Boards have discretion to determine the treatment of LTI unvested equity awards and the timing of such treatment. In the event the Boards do not exercise its discretion, the LTIP will vest pro-rata for time and performance at date of change of control.

4. Free cash flow per security is calculated by dividing the free cash flow determined consistent with Table 2 of the Investor Reference Pack (adjusted to remove the impact of capital releases, future FX movements and board approved special project costs), by the weighted average number of securities on issue during the period.

6. 2023 business performance highlights

6.1 Overview of business performance

The strength of our portfolio and balance sheet has enabled the Groups to continue to deliver against strategy with a number of key initiatives implemented that will drive long-term value creation for securityholders. These have been discussed on pages 12 to 13.

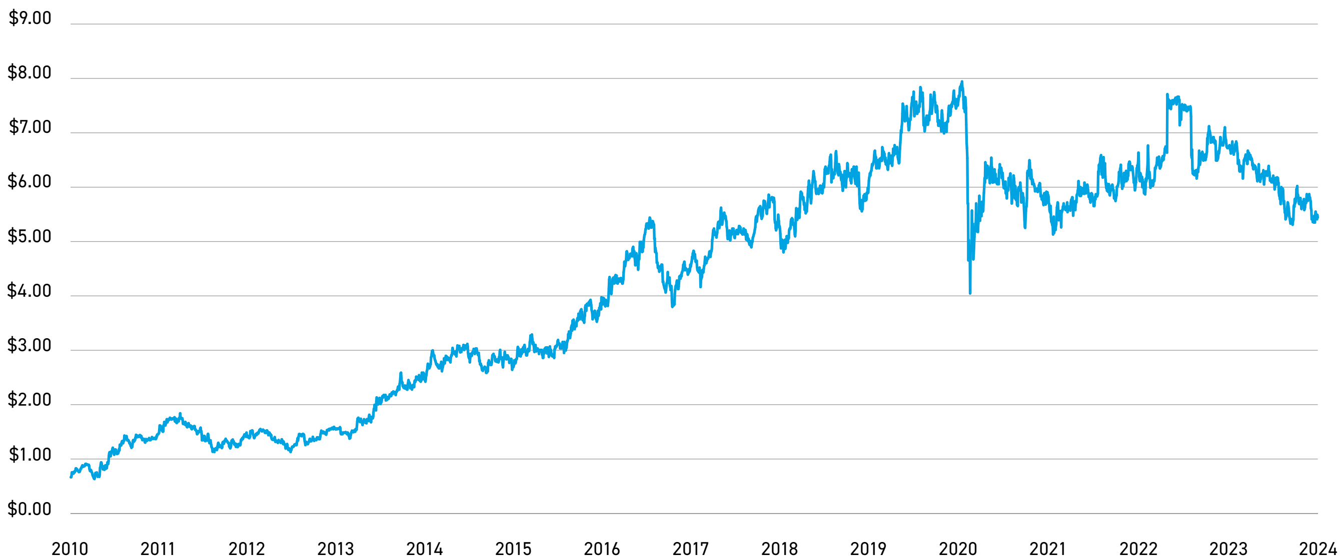
6.2 Atlas Arteria's performance

The following table outlines the key financial metrics over the past five financial years up to and including 2023 that underpin the STI and LTI plans.

	2023	2022	2021	2020	2019
Dividend Payments per Security (cents) [1]	**40.0**	40.5	28.5	11.0	30.0
Cash flow per security ($) [2]	**0.42**	0.42	0.30	0.31	0.27
EBITDA proportionate ($m) [3]	**1,375.0**	1,100.8	1,024.4	884.0	923.0
Security price (@year end) ($) [4]	**5.78**	6.61	6.47	6.07	7.32
Total Security Return	**-6.7%**	8.7%	11.5%	-15.5%	32.2%
STI awarded as a % of maximum – CEO [5]	**65%**	80%	84%	26%	100%
LTI vested as a % of max – CEO [6]	**50.7%**	Nil vesting	Nil vesting	n.a.	n.a.

1. Distributions paid to securityholders during the year.
2. Cash flow per security calculated by reference to the securities on issue at the time the cash flows were received by the business.
3. Proportionate EBITDA from each business as reported for each financial year on a constant currency basis, prior years excluding Chicago Skyway.
4. Atlas Arteria TERP adjusted security price as at year end.
5. Relates to the year for which the STI was awarded.
6. Relates to the final year of the LTI performance period, that is the year the LTI may have vested.

ALX security price (2010-2024)



7. 2023 remuneration outcomes

7.1 Fixed pay

Securityholders were advised in the 2022 Remuneration Report a pay freeze would apply to the MD & CEO and the executive KMP for 2023 with the next increases (other than any Luxembourg government mandated increases that may apply for the COO) to occur no earlier than 1 January 2024.

During the 2023 year as indicated in the 2022 Remuneration Report, the Boards reviewed executive remuneration to ensure our remuneration levels are competitive with companies of similar size and complexity.

As a result of the review, taking into account the scope of each role, the experience and capability of each executive relative to peers, the following fixed remuneration levels will apply from 1 January 2024:

- MD & CEO – The MD & CEO's fixed pay is $1,400,000 and was last reviewed with effect from 1 January 2022. While this is below the market median level, the Boards have decided that there should be no fixed pay increase for the MD & CEO in 2024. We will review fixed pay during 2024 with any increase to occur no earlier than 1 January 2025.
- CFO – Reflecting the CFO's relative position to market at the time of appointment, annual fixed remuneration will increase to $745,000 with effect from 1 January 2024.
- COO – As a result of a Luxembourg government compulsory CPI review during the year, the COO's fixed pay was adjusted to €491,098. The Boards have agreed that no further increases above the Luxembourg government compulsory CPI reviews will occur in 2024.

7.2 Short-term Incentive Plan

STI performance in respect of 2023 was assessed based on a combination of financial, ESG and non-financial measures. These measures were determined at the start of the 2023 financial year based on the structure of the Atlas Arteria business at that time.

In assessing performance, the Board considers both what has been achieved and how it was achieved. Each Executive's behaviour is considered against our STEER principles, which are the guiding principles for our conduct and how we work. The actual STI awarded can be adjusted where these expectations are deemed not to have been met.

Discretion

The Boards also considers the application of discretion against the pre-determined principles set out in section 3.3. These include consideration of the securityholder experience, the broader employee experience and overall safety performance considering factors both within and outside of managements control. In 2023, the Boards considered that there were no factors requiring the exercise of discretion, either to increase or to reduce, STI outcomes.

Adjustments to reported financial results

Consistent with other ASX listed companies, when assessing financial performance for STI purposes, the Boards make adjustments to the reported financial results. These adjustments are made to ensure STI awards accurately reflect the performance of the underlying operations of the business, emphasising the contribution of the MD & CEO and other executive KMP on managing the controllable factors effectively to achieve annual earnings targets.

The adjustments made to reported financial results when assessing performance for STI purposes are as follows:

Adjustment	Reasons
To exclude the costs of awards under the short-term and long-term incentive plans	Given the relative costs of STI and LTI to other corporate costs and in order to avoid circularity in the calculation, these costs are excluded.
Board approved project costs and capital projects	The costs are excluded so decisions on whether to proceed with a project are not influenced by potential impact on STI outcomes. If such costs were included and budgeted, the financial KPI's would no longer be appropriate performance targets if the projects did not proceed given the size of many of these projects relative to the company's business-as-usual cost base.
To exclude the impact of exchange rate movements during the year	The adjustments for exchange rate movements are made to enable management to be rewarded on the aspects of the business that they are in a position to control and influence directly. These adjustments result in both positive and negative adjustments being made to the reported results from year to year and for different currencies.

Reconciliation of reported financial results to financial results for STI purposes

The following table reconciles the reported results with the financials for STI purposes for 2023.

Proportional adjusted EBITDA

Performance area	Target $	Actual performance $
Reported Proportional EBITDA [5]		**1,374.8**
Adjustments		
Add back: DG Holdco costs included in the DG segment of the Segment note to the Financial Statements		0.2
Proportional EBITDA		**1,375.0**
Adjustments		
Add/(deduct) the impact of exchange rate movements during the year (budgeted AUD/EUR of 0.66 versus actual average FX rate across the year of 0.6138, budgeted AUD/USD of 0.71 versus average actual of 0.6638)		(95.3)
Add/(deduct) AIFRS accounting related adjustments applied to business' EBITDA		(1.1)
Proportional adjusted EBITDA for STI purposes	**1,265.0**	**1,278.6**

Free cash flow [6]

Performance area	Target $	Actual performance $
Free cash flow received from Operations		**609.9**
Adjustments		
Add back: Interest and fees paid		0.4
Add back: payments for capital projects		0.2
Add back: STI payments reflected in payments to suppliers and employees		5.3
Add back: Board approved special project costs reflected in payments to suppliers and employees		1.9
Add back: Exchange rate movements		4.9
Deduct: capital distributions received		(155.6)
Add/(deduct) the impact of exchange rate movements during the year (budgeted AUD/EUR of 0.66 versus actual FX rate at date of distribution conversions of 0.612, budgeted AUD/USD of 0.71 versus actual of 0.657)		(35.6)
Free cash flow for STI purposes	**400.0**	**431.4**

Corporate costs

Performance area	Target $	Actual performance $
Corporate operational expenditure [7]		**36.0**
Adjustments		
Add back: AASB16 lease accounting (considered as a financing cost, not a corporate cost in statutory accounts)		1.2
Add back: DG Hold Co costs (considered a business operation cost, not a corporate cost in statutory accounts)		0.2
Add back: GST refund (removed for STI purposes, but included as a reduction to corporate costs for statutory purposes)		0.3
Add back: the impact of exchange rate movements during the year		0.1
Add back: MAF/MAF2/Warnow recharges		2.9
Deduct: Board approved special project costs		(1.7)
Deduct: the cost of STIs and LTIs		(8.0)
Corporate operational expenditure	**33.0**	**31.0**

Details of the 2023 STI awards for executive KMP are set out below.

5. Refer note 4 Segment Information in financial reports.
6. Refer Investor Reference Pack, table 2.
7. Refer note 4 Segment Information in financial reports.

7.2.1 MD & CEO

The annual performance assessment includes consideration of both what is achieved and how it is achieved by reference to each executive's behaviours during the year.

The Boards may exercise discretion to adjust the actual STI awarded upwards where these expectations have been exceeded or adjusted downwards where the expectations are not met. The 2023 STI outcomes were assessed based on the actual performance against target and the Boards did not exercise any discretion this year, either positive or negative, over the STI outcomes.

Performance area and description	Weighting	Threshold	Target	Stretch	Result	Reason chosen	Performance assessment
Proportional adjusted EBITDA							
(reflecting proportional performance of each business at constant exchange rates and excludes corporate costs and special items)	20%	A$1,200m (~95% of target)	A$1,265m	A$1,330m (~105% of target)	A$1,278.6m 22.1%	Proportional adjusted EBITDA reflects the performance of the underlying operations of the business and has been adopted to focus the MD & CEO and the other executive KMP on the delivery of the annual earnings targets.	Higher traffic relative to expectations (up 3.3% on 2022); Increases in toll revenue (up 6.9% compared to 2022, adjusted for Skyway) Proportional adjusted EBITDA from: – Businesses excluding Skyway increased by 7.6% compared with 2022 – The Chicago Skyway EBITDA increased 0.8% compared to the 2022 Skyway full year performance and exceeded our 2023 projections at the time of the acquisition.
Free cash flow received from Operations							
(at constant exchange rates and excludes corporate costs and special items)	15%	A$380m (~95% of target)	A$400m	A$420m (~105% of target)	A$431.4m 22.5%	Free Cash Flow from Operations recognises the importance in the generation of continuous cash flow to support distribution growth.	The strong financial performance and, in-turn, distributions received from APRR, combined with higher-than-expected distributions from Chicago Skyway relative to our 2023 projections at the time of the acquisition resulted in a cash flows during 2023 that exceeded stretch.
Distributions							
of $0.40 per security	15%		$0.40	$0.40	$0.40 15%	Growth in distributions is closely aligned with investor expectations and encourages management to deliver increasing returns to securityholders.	Distributions for the year were at target of 40 cents per security compared to 40.5 cents per security for 2022. This result was in line with guidance provided to securityholders at the time of the 2022 equity raise.
Corporate operational expenditure							
(excluding costs of STIs and LTIs, special projects and at constant exchange rates)	10%	A$35m (~105% of target)	A$33m	A$31m (~95% of target)	A$31.0m 15%	Focuses management on the importance of making operational improvements and delivery of cost savings.	Corporate costs were effectively managed with a stretch outcome.
Total financials	**60%**				**74.6%**		

Performance area and description	Weighting	Target	Result	Reason chosen	Performance assessment
ESG targets – safety					
– Meet Corporate Safety targets and – Continue to professionalise safety processes within controlled businesses	5%	Target Safety metrics: Minority owned business: LTIFR <=3 Majority/wholly owned: LTI <=1 Implementation of safety processes leading to an improvement in safety outcomes.	0%	Safety is our primary focus, and we pursue a zero-harm culture for our people, partners and customers.	LTIFR for APRR of 3.36. LTI for Skyway of 1 with no LTI for Warnow, Dulles Greenway or Corporate. Result below the level required for threshold performance, hence the outcome is 0%. Solid progress was made to professionalise safety processes throughout the business.
ESG targets – environment					
– Renewable electricity transition (GHG Reduction) – GRESB Public Disclosure Assessment – Agree an ESG approach and plan with Chicago Skyway and Ontario Teachers to allow ALX to meet its ESG objectives	5%	Achieve direct renewable supply or carbon credits of at least 90% of electricity usage across our business by end 2023. Maintain an 'A' rating in the GRESB Public Disclosure Assessment.	5%	There is increasing expectation amongst regulators and investors that organisations align their actions and disclosures to TCFD recommendations. Alignment requires input and action from across the businesses, to effectively integrate consideration of climate-related issues into business processes, including risk, strategy and financial planning.	A direct renewable supply or carbon credits of 91.8% was achieved compared to a target of at least 90% of electricity usage across our business by end 2023. An 'A' rating with a score of 87 up from 80 in '22 was achieved which was ranked 2nd of 33 in the Asia Pacific transport sector. Skyway's ESG Plan was developed during the year and approved at the final Skyway board meeting of 2023. Implementation has commenced.
Operational Review					
– Lead and agree the development and implementation plan for the business	10%	The Review is undertaken to the satisfaction of the Boards with demonstrated progress on the Implementation Plan.	5%	Operational Review to ensure a rigorous informed debate can be undertaken leading to a clear Operational Plan for the business that is aligned to delivery of strategy.	Redesign of operating model endorsed by Boards. Key changes focused on optimising existing capability and focus investment in North America to support delivery of business priorities. Implementation plan is well underway with Group Executive North America recruitment role proceeding and plan for FY24 on target. The new processes and accountabilities being introduced are designed to provide clarity of roles and responsibilities at all levels of the organisation. Efficiencies and consequent cost savings are expected as fully implemented in 2025 following offsetting costs of implementation in 2024. Issues with project leadership with cost and duration of the review exceeded expectations resulted in the score at threshold.

Performance area and description	Weighting	Target	Result	Reason chosen	Performance assessment
Corporate development and M&A activity					
– Pursue and achieve clear progress on opportunities for growth that meet our strategic objectives	10%	Agreement and alignment of an updated corporate strategy. Successful refinance of Chicago Skyway to allow AUD132m of funding for 2023 distribution. Ensure the successful integration and implementation of Chicago Skyway as outlined in the investment plan and implementation plan. Position the company for achieving concession extensions at APRR, along with bidding for other French opportunities including the A412 through the APRR bid with Eiffage. **Dulles Greenway** – Negotiate a PPTA concession arrangement on mutually agreeable terms – Lodgement of a strong rate case with the SCC consistent with business plan to be agreed by Board.	5%	To deliver projects that achieve accretive long term value for securityholders	A Refined strategy has been agreed with the Board and announced with year-end results. Refinancing achieved with approximately AUD177m available. Integration completed with key outcomes being: – Implementation of a state of the art asset management system to drive efficiency in operations. – Recruitment of highly experienced CFO and COO to enhance implementation of strategy moving forward. – Creation of a digital twin utilising artificial intelligence to identify and project future maintenance cycles which will lead to a proactive asset management system that achieves a higher level of rating of the Skyway's roads and bridges. And reduce capital maintenance costs over time. The A412 bid has resulted in achievement of preferred bidder status in February 2024. Legislative changes were delayed in the 2023 session and we will continue to seek changes in the current 2024 legislative sessions with appropriate drafts under consideration in the Senate and House. A strong rate case was agreed with the Board and submitted. The rate case is working through the SCC process with hearings set for end of February.
Individual Strategic					
	5%	Achieve an improved relationship with investors and the market more broadly.	0%	To focus on driving more effective engagement with the market to respond to feedback from 2022	While there was some improvement in feedback from existing investors and the buy side analysts it was not to a level sufficient to justify an award for this KPI.
Team Development					
Focusing on leadership capability, and employee engagement	5%	Improve the staff engagement index from the current engagement at 66%; and Increase the score to 65% on the management question 'My manager role models the STEER principles in the way they work' (currently 60% favourable).	7.5%	Focuses on the continued development of people capability, leadership and engagement to support the implementation of strategy and growth of the business	Increase in employee engagement index from FY22, up to 83% overall from 66%. Increase in the way managers role-model the ALX STEER principles, up to 85% overall from 60%.
Total non-financials	**40%**		**23.5%**		
Total award as a % of Target			**98%**	**Overall outcome for FY23 is at 98% of target, and 65% of stretch.**	

7.2.2 Other executive KMP

The MD & CEO's STI objectives, both financial and non-financial, for 2023 were cascaded to the other executive KMP being the CFO and COO and were included within their specific personal and team objectives for the year. Their STI outcomes were assessed on a consistent basis with that of the MD & CEO.

7.2.3 Executive KMP STI outcomes

Based on the performance achievement assessments described above, the following STI awards were made in respect of achievements relating to 2023.

Name	% of maximum achieved	% of maximum forfeited	Value – cash $	Value – equity $	STI forfeited $
Graeme Bevans	65%	35%	686,000	686,000	728,000
David Collins	72%	28%	208,980	208,980	162,540
Vincent Portal-Barrault	72%	28%	258,030	258,030	204,020

7.3 Long-term Incentive Plan

The relative TSR hurdle for the 2021 LTI award was tested following the end of the performance period on 31 December 2023. The result (an absolute TSR of 11.35% and is ranked 55 out of 112 companies), a percentile ranking of 51.35% of the comparator group, which is above the level required for threshold vesting, resulting in a vesting outcome of 50.73%.

This return compares favourably with the TSR returns delivered over the same period by the other Australian listed companies included in the GLIO international infrastructure comparator group – Aurizon a TSR of 11.353%, Auckland Airport a TSR of 5.14%, Transurban a TSR of 2.19% and APA a negative TSR of 4.86%.

The ALX TSR return was delivered in an environment of rising bond yields during the latter part of the vesting period, which have adversely impacted TSR performances of the infrastructure comparator group, including Atlas Arteria.

The following table summarises the relative TSR performance of the various grants of LTI awards since the time of appointment of the internal management team in 2018:

	2023	2022	2021	2020	2019	2018
Vesting outcome	Will be tested on 31.12.2025	Will be tested on 31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
Vesting outcome/projected vesting outcome based on performance to date [8]	Nil	52%	50.73%	Nil	Nil	Nil

Strategic LTI measures

As a one-off intervention, a second LTI performance hurdle (equal to 50% of the LTI award value) was introduced for the 2022 LTI grant. The strategic measures were selected by the Boards based on delivery of initiatives that are fundamental to creating long-term value for Atlas Arteria securityholders. These initiatives are important value levers for Atlas Arteria and the Boards believe it is important for management incentives to be aligned with those of securityholders.

Vesting will be based on Board assessment of achieving quantifiable outcomes that improve securityholder value and a positive TSR over the performance period from the successful delivery of two key strategic objectives, being:

- Creating a clear pathway to distributions from Dulles Greenway.
- Improving the average concession life of the Atlas Arteria portfolio.

Vesting of the remaining 50% of the 2022 LTI award is based on relative TSR performance with a positive absolute TSR hurdle.

We are providing an update below on progress achieved to 31 December 2023 on the outcomes required for the awards to vest at the end of the performance period in the interests of transparency.

No decision has been made as to whether the awards will vest at the end of the three-year performance period noting that awards for the FY22 plan will only vest where:

- Quantifiable returns to securityholders from delivery of the strategic measures including the business case for the acquisition of the Chicago Skyway is demonstrated; and
- Absolute TSR over the performance period has been positive.

Where this cannot be demonstrated, the awards will not vest.

8. Projected vesting outcome based on TSR component only. Projected date as at 26/2/2024.

Notwithstanding the significant progress that has been made to date in improving the average concession life of the Atlas Arteria portfolio from the acquisition of the Chicago Skyway, we continue to be focused on improving the concession life of the existing portfolio by securing concession extensions at APRR and Dulles Greenway (as part of an overall restructure of that concession). Our focus has not changed as a result of acquiring Skyway. We have had and continue to have a dual focus, to extend our concession life through our existing businesses, as well as through new projects that meet our investment criteria.

The following summarises the progress in achieving the requirements for vesting of each of the two strategic priorities:

Strategic measure	Description	Key achievements
Dulles Greenway	Creating a clear pathway to distributions from Dulles Greenway	– Political and stakeholder engagement continued during the period, particularly following the November 2023 elections, with the objective of delivering a more effective regulation at Dulles Greenway. – We continue to pursue legislative change at Dulles Greenway to enable a more effective tolling regime to meet consumer needs and deliver value to securityholders.
Average portfolio concession length	Improving the average concession life of the Atlas Arteria portfolio	– Atlas Arteria's weighted average concession life (based on relative EBITDA contribution to ALX) has improved since the commencement of the performance period on 1 January 2022 from 18.7 to 39.1 with the addition of two roads. 1. The A79 was added to the APRR Group during the period with the ownership finalised in June 2022 and tolling commencing in November 2022. The A79 is an 88km road in France with a 48-year concession (45 years remaining). 2. A majority interest was acquired in the Chicago Skyway with the acquisition completing in December 2022. The Chicago Skyway is a 12.5km toll road in Chicago with a 99-year concession (81 years remaining). The acquisition doubled the average concession life of Atlas Arteria from 18 years to 37 years. Performance to date since the acquisition has been higher than the acquisition business case. The ongoing performance of this investment against the acquisition business case and securityholder experience will be fundamental to the assessment of the final vesting outcome by the Boards. – The consortium formed by Eiffage and APRR is currently in exclusive negotiation with the French State regarding the A412, a 16km road in France with a concession life of 55 years.

The Boards will retain full discretion over vesting on being satisfied that the strategic objectives have been met based on clearly identifiable quantifiable outcomes that improve securityholder value. Factors the Boards will consider when determining the vesting outcomes will include progress against approved business plans and investment projections, cash flows, security price performance and returns delivered to securityholders. Full disclosure of the basis on which the vesting decisions were made will be provided to securityholders at the time of potential vesting.

8. Non-executive Director fees

8.1 Determination of Non-executive Director fees

Non-executive Directors receive fees to recognise their contributions to the Boards and Committees on which they serve. No performance related remuneration is payable to Non-executive Directors.

Non-executive Director fees were reviewed during 2023 to ensure that fees remained appropriate and competitive to attract high performing directors. The review was conducted by comparing Atlas Arteria's NED fee levels with those of a group of comparable ASX listed companies selected on the basis of similar businesses, scale of operation and skill requirements.

While the review identified that the Atlas Arteria NED base and Committee fees were below market median the Board considered it was inappropriate to consider changes to those fees for 2024, taking into account securityholder experience and outcomes in 2023.

The review also included consideration of the use of travel fees by comparable companies, specifically global companies where regular international travel by NEDs is expected. Pending the outcome of a review of NED fees, no travel fees were paid in 2023 even though NEDs were required to travel internationally during the year.

The review also identified that while travel fees were used by some similar companies, other companies adopted a simpler approach and included fees for travel time in their overall base fees. The Boards decided to adopt an approach to fees that incorporates travel time in the base fees, Accordingly, the payment of travel fees to NEDs will cease and the existing base fees will be adjusted to include an amount in respect of one fee per year. The resulting base fee remains below the benchmarked market median level.

The fees paid during 2023 are set out below:

	ATLAX		ATLIX		
Fees	**Chair (AUD)**	**Member (AUD)**	**Chair (US $)**	**Member (US $)**	**Member (US $)[1]**
Board	$310,000[2]	$155,000	$220,000[2]	$110,000[3]	$55,000
Audit and Risk Committee	$30,000	$15,000	$20,000	$10,000	Nil
People and Remuneration Committee	$30,000	$15,000	$20,000	$10,000	Nil
Nominations and Governance Committee	Nil	Nil	Nil	Nil	Nil
Travel fee	Nil	Nil	Nil	Nil	Nil

1. For Australian-based Director.
2. Committee fees are not payable to the Chairs of the ATLAX or ATLIX Boards.
3. Non-executive Directors are also entitled to receive a travel allowance of A$10,000 for each occasion where they are required to travel over 8 hours to attend a Board meeting or strategy session (as discussed above, this was not paid in 2023).

ATLAX and ATLIX Directors are not entitled to Atlas Arteria performance rights or securities or to retirement benefits as part of their remuneration package.

8.2 2024 Non-executive Director fees

The following fees will be payable for 2024:

	ATLAX		ATLIX		
Fees	**Chair (AUD)**	**Member (AUD)**	**Chair (US $)**	**Member (US $)**	**Member (US $)[1]**
Board	$320,000[2]	$165,000	$227,500[2]	$117,500	$58,750
Audit and Risk Committee	$30,000	$15,000	$20,000	$10,000	Nil
People and Remuneration Committee	$30,000	$15,000	$20,000	$10,000	Nil
Nominations and Governance Committee	Nil	Nil	Nil	Nil	Nil
Travel fee	Nil	Nil	Nil	Nil	Nil

1. For Australian-based Director.
2. Committee fees are not payable to the Chairs of the ATLAX or ATLIX Boards.

NED fee arrangements will be reviewed during 2024 with any adjustments to occur no earlier than 1 January 2025.

8.3 Aggregate fee pool

As approved by securityholders at the 2023 AGM, the aggregate ATLAX Non-executive Director fee pool is capped at AU$1,500,000 and the ATLIX Non-executive Director fee pool is capped at US$600,000.

9. Remuneration governance

9.1 Roles and responsibilities

The table below outlines the roles and responsibilities of the Boards, PRC, management and external advisers in relation to the remuneration arrangements of Non-executive Directors and executive KMP.

The Boards	People & Remuneration Committees	Management	External advisers
Approve remuneration strategy and approve recommendations from the PRC. Approve the quantum of remuneration for Non-executive Directors and the MD & CEO.	The PRC consists entirely of independent Non-executive Directors. The PRC makes recommendations to the Boards regarding the Remuneration Framework, policies and practices for Atlas Arteria. The PRC approves the quantum of remuneration for other executive KMP.	Makes recommendations to the PRC on Atlas Arteria's Remuneration Framework, policies and practices.	Provide independent advice to the PRC and/or management on remuneration market data, market practice and other remuneration related matters.

9.2 PRC activities during 2023

The PRC is actively engaged in ensuring our remuneration and people programmes are contemporary and working as intended. The activities of the PRC during 2023 included:

- Recommending the STI outcomes for 2022 to the Boards.
- Recommending the STI objectives for 2023, including recommending approval of the financial targets to the Boards.
- Monitoring progress against the 2023 STI targets.
- Response to the strike against the 2022 Remuneration Report, including understanding investor concerns and issues raised and taking appropriate actions to ensure our remuneration practices align with the expectations of our securityholders in future.
- Reviewing the remuneration of the CEO, and remuneration arrangements for KMP and other executives as required.
- Engaging remuneration consultants to provide market remuneration data to assist with the review of executive remuneration.
- Engagement with investors and proxy advisers in relation to the Remuneration Framework and Report.
- Considering and recommending to the Boards amendments to the Remuneration Framework.
- Recommendations regarding NED fees for 2024 to the Boards for approval.
- Review and approval of the offer terms, plan rules and basis of participation for the Groups' equity plans.
- Consideration of market and regulatory related developments impacting the Groups' remuneration arrangements.
- Consideration of the necessity to exercise discretion over variable pay decisions.
- Review progress against the Atlas Arteria People Plan and Priorities.
- Consideration of the Diversity and Inclusion objectives.
- Review of the Talent Management Framework and undertaking the annual Talent and Succession Review.
- Review and approval of the Atlas Arteria People Strategy.
- Executive Talent and Succession Reviews.

9.3 External Advisers

The requirement for external remuneration advisor services is assessed in the context of matters the PRC needs to address. Remuneration advisers are engaged by and report directly to the PRC. Potential conflicts of interest are considered when advisers are appointed, including the level of access to management. External advice is used as a guide but does not serve as a substitute for Directors' consideration of the relevant matters. No remuneration recommendations, as defined by the Corporations Act 2001 (Cth), were made by external remuneration advisers during 2023.

9.4 Board discretion over remuneration decisions

The PRC and the Boards consider it important to have the ability to exercise discretion as required over remuneration decisions to ensure that remuneration outcomes reflect the performance of the Groups and the individual executives and are consistent with securityholder expectations. Examples of the circumstances where discretion can be exercised include:

Provision	STI	LTI
Variable pay outcomes	As part of the 2023 Remuneration Framework review, the guidelines that govern the use of discretion for executive remuneration were reviewed against market practice and securityholder expectations. As a result, changes were made to strengthen the guidelines. The revised guidelines provide that positive discretion will only be exercised where returns exceed securityholder expectations. The guidelines are published in the report, specifically in section 3.3.1	
Clawback/Malus	In the event of: – Material non-compliance with any financial reporting requirements or other policies and operating procedures of the Groups; – Fraudulent or dishonest behaviour; or – Misconduct. The Boards have discretion to determine that some or all deferred STI restricted security awards and unvested LTIP awards are forfeited.	
Cessation of employment	If a participant resigns or is terminated for cause (including gross misconduct), any deferred securities are forfeited, and the participant is not entitled to any further payment of cash STI. The Boards may exercise discretion such that the participant is entitled to a pro-rata payment of cash STI subject to performance and deferred securities will normally stay 'on foot' until the end of the deferred period.	If a participant resigns or is terminated for cause (including gross misconduct), unvested performance rights will automatically lapse. The Boards may exercise discretion such that a pro-rata number of unvested performance rights (reflecting the portion of performance period served) stay 'on-foot' to be tested against the performance condition at the end of the original performance period.
Change of control	Upon a change of control: – The Boards will determine in their absolute discretion the treatment for STI opportunity. – Subject to the Boards determining otherwise, cash based STI will be assessed on a pro-rata basis and paid at that time based on performance, and deferred STI will vest in full.	Where a change of control occurs or is likely to occur, the Boards have discretion to determine the treatment of unvested equity awards and the timing of such treatment. In the event the Boards do not exercise its discretion, the LTIP will vest pro-rata for time and performance.

9.5 Minimum securityholding requirements

Minimum securityholding requirements apply to support the alignment between the interests of the Directors, executive KMP and securityholders through significant exposure to the movements in securities price and distributions. Details of individual securityholdings and progress against the expected holding requirements are included at section 10.2.

Role	Minimum shareholding	Timing to meet requirement
Non-executive Directors	100% of annual Director base fees	3 years from the date of their appointment
MD & CEO	100% of fixed remuneration	5 years from appointment
Other executive KMP	50% of fixed remuneration	5 years from appointment

9.6 Atlas Arteria Securities Trading Policy

The Atlas Arteria Securities Trading (Windows) Policy applies to Directors, including Directors appointed by Atlas Arteria to investee entities and to all Atlas Arteria staff. The windows trading policy means that trading in securities can only occur at the discretion of the ATLAX and ATLIX Boards during prescribed trading windows and with appropriate approvals. All other periods are 'closed periods' for the purposes of the ASX Listing Rules. ATLAX and ATLIX Directors and staff must not enter into margin loans or other financing arrangements over their Atlas Arteria securities.

10 Statutory disclosures

10.1 Executive statutory remuneration disclosures for 2023

The following table shows the total remuneration for the MD & CEO and executive KMP for 2023.

		Short-term employee benefits			Post employment benefits	Share based payments			
Name	Financial year	Cash salary	Annual leave accrual movement	Cash STI [1]	Superannuation contributions	LTI Awards [1,2]	STI Awards [3]	Total remuneration	Performance based pay %
Graeme Bevans	2023	$1,373,654	($38,806)	$686,000	$26,346	$713,697	$747,976	$3,508,867	61.2%
	2022	$1,375,570	($20,288)	$840,000	$24,430	$615,642	$902,852	$3,738,206	63.1%
David Collins [4]	2023	$618,654	$8,781	$208,980	$26,346	$169,958	$142,504	$1,175,223	44.4%
	2022	$208,060	($5,741)	$70,950	$11,902	$30,866	$35,475	$351,512	39.1%
Vincent Portal-Barrault [5]	2023	$780,655	($9,250)	$258,030	$19,620	$259,580	$284,796	$1,593,431	50.4%
	2022	$687,687	$9,242	$269,847	$16,747	$250,412	$259,869	$1,493,804	52.2%
Nadine Lennie [6]	2023	–	–	–	–	–	–	–	–
	2022	$171,608	($8,469)	$95,424	$5,892	$74,141	–	$338,596	50.1%
Total	**2023**	**$2,772,963**	**($39,275)**	**$1,153,010**	**$72,312**	**$1,143,235**	**$1,175,276**	**$6,277,521**	**55.3%**
Total	**2022**	**$2,442,925**	**($25,256)**	**$1,276,221**	**$58,971**	**$971,061**	**$1,198,196**	**$5,922,118**	**58.2%**

1. The amounts for LTI share based expenses are included based on the fair value of equity awards. External valuation advice has been used to determine the value of performance rights awarded in the year ended 31 December 2023. The valuation has been made using a Stochastic Model which includes a Monte Carlo simulation model. Details of the fair values of equity awards granted during the year are contained in the foot notes to the table titled 'Performance Rights held during the year'.
2. The number of performance rights allocated to each participant is determined based on face value.
3. The deferred equity award for 2023 for the MD & CEO is subject to securityholder approval at the 2024 Annual General Meeting. The fair value of the 2022 STI award is based on the security price at the date of grant, 30 May 2023, and includes an amount in respect of the distribution paid on 29 March 2023.
4. Commenced 30 August 2022.
5. Converted to AUD at a rate of AUD $1 – Euro 0.6138 (2022: 0.6590).
6. N Lennie ceased to be a KMP upon termination of employment on 31 March 2022. Under the terms of her separation, Ms Lennie did not receive a severance payment, her 2021 and 2022 STI awards were payable in cash and Ms Lennie retained a pro rata number of unvested LTI awards all of which are subject to the original performance hurdles applicable to the awards.

10.2 Non-executive Director statutory remuneration disclosures for 2023

The following table shows the fees paid to Non-executive Directors of ATLAX and ATLIX for 2023.

		ATLAX fees			ATLIX fees		
		Short-term benefits	Post employment benefits		Short-term benefits	Post employment benefits	
Name	Financial year	Cash salary and fees	Superannuation	Total	Cash salary and fees [1]	Superannuation [1]	Total [1]
Debra Goodin	2023	$283,654	$26,346	$310,000	US$49,718	US$5,282	US$55,000
	2022	$305,570	$24,430	$330,000	US$50,000	US$5,000	US$55,000
David Bartholomew [2]	2023	$167,044	$17,956	$185,000	–	–	–
	2022	$203,979	$13,521	$217,500	–	–	–
Jean-Georges Malcor	2023	$185,000	–	$185,000	–	–	–
	2022	$202,500	–	$202,500	–	–	–
John Wigglesworth [3]	2023	$167,044	$17,956	$185,000	–	–	–
	2022	–	–	–	–	–	–
Ken Daley [4]	2023	$82,588	$9,021	$91,609	–	–	–
	2022	–	–	–	–	–	–
Laura Hendricks [5]	2023	$39,372	–	$39,372	–	–	–
	2022	–	–	–	–	–	–
Ariane Barker [6]	2023	–	–	–	–	–	–
	2022	$179,155	$18,345	$197,500	–	–	–
Fiona Beck [7]	2023	–	–	–	US$205,000	–	US$205,000
	2022	–	–	–	US$137,018	–	US$137,018
Andrew Cook [2]	2023	–	–	–	US$128,333	–	US$128,333
	2022	–	–	–	US$142,268	–	US$142,268
Kiernan Bell [8]	2023	–	–	–	US$40,000	–	US$40,000
	2022	–	–	–	–	–	–
Jeffrey Conyers [9]	2023	–	–	–	US$37,258	–	US$37,258
	2022	–	–	–	US$220,000	–	US$220,000
Caroline Foulger [10]	2023	–	–	–	US$65,000	–	US$65,000
	2022	–	–	–	US$137,018	–	US$137,018
Total – A$	**2023**	**$924,702**	**$71,279**	**$995,981**	**$791,405**	**$7,958**	**$799,363**
Total – A$	**2022**	**$891,204**	**$56,296**	**$947,500**	**$989,909**	**$7,212**	**$997,121**

1. Fees payable to ATLIX Non-executive Directors converted to AUD at the average 2023 exchange rate of A$1 = US$0.6638. (2022 A$1 = US$0.6933).
2. Additional fees for duties performed during 2022 as a member of the due diligence committee in respect of the Skyway Transaction and the Equity Raise – D Bartholomew $12,500 and A Cook US$5,250. No additional fees were paid during year ended 31 December 2023.
3. Appointed as a Non-executive Director 1 January 2023.
4. Appointed as a Non-executive Director 30 May 2023.
5. Appointed as a Non-executive Director 16 October 2023.
6. Retired as a Non-executive Director 31 December 2022.
7. Appointed Chair 1 March 2023.
8. Appointed as a Non-executive Director 1 September 2023.
9. Retired as a Non-executive Director 1 March 2023.
10. Retired as a Non-executive Director 1 July 2023.

Equity instrument disclosures relating to KMP

Securityholdings

The table below outlines the number of ordinary securities held by each KMP including their personally related parties, as at 31 December 2023, and the minimum securityholding requirements.

Non-executive Directors have acquired their securityholdings from their personal resources on market and in accordance with Atlas Arteria's trading policy. Executive KMP acquire their securityholdings from awards that vest under the Groups' equity plans and from purchases on market. All Directors and executives are tracking to meet their securityholding requirement in accordance with the Groups' policy.

Non-executive Directors

Name	Balance at 1 January 2023	Changes	Balance at 31 December 2023	Value at 31 December 2023 [1]	Minimum securityholding requirement [2]	Date securityholding to be attained
Debra Goodin [3]	76,667	1,804	78,471	$453,562	$235,823	Nov-23
David Bartholomew	31,679	–	31,679	$183,105	$155,000	Oct-21
Jean-Georges Malcor	45,499	–	45,499	$262,984	$155,000	Nov-21
John Wigglesworth [4]	7,500	–	7,500	$43,350	$155,000	Jan-26
Ken Daley [5]	n.a.	–	–	–	$155,000	May-26
Laura Hendricks [6]	n.a.	–	–	–	$155,000	Oct-26
Fiona Beck	53,029	7,000	60,029	$346,968	$161,646	Sep-22
Andrew Cook	33,000	5,000	38,000	$219,640	$161,646	Nov-23
Kiernan Bell [7]	n.a.	–	–	–	$161,646	Sep-26
Jeffrey Conyers [8]	90,524	–	n.a.	n.a.	$161,646	n.a.
Caroline Foulger [9]	41,602	–	n.a.	n.a.	$161,646	n.a.

1. Based on the closing price of Atlas Arteria securities on 31 December 2023 of $5.78. The requirement is assessed at the higher of the purchase price or market value of the securities.
2. The minimum securityholding requirement for ATLIX Board members has been converted to AUD at the 31 December 2023 exchange rate of A$1 = US$0.6805.
3. Appointed as a Non-executive Director of ATLAX 1 september 2017, Chair of ATLAX 1 November 2020 and a Non-executive Director ATLIX 1 November 2020.
4. Appointed as a Non-executive Director 1 January 2023.
5. Appointed as a Non-executive Director 30 May 2023.
6. Appointed as a Non-executive Director 16 October 2023.
7. Appointed as a Non-executive Director 1 September 2023.
8. Retired as a Non-executive Director 1 March 2023.
9. Retired as a Non-executive Director 1 July 2023.

Executive KMP

Name	Balance at 1 January 2023	Changes during the year	Granted during the year as compensation	Received during the year exercise of a right	Balance at 31 December 2023	Value at 31 December 2023 [1]	Minimum security holding requirement	Date security holding to be attained
Graeme Bevans	443,258	18,000	125,186	–	586,444	$3,389,646	$1,400,000	May-23
David Collins [2]	–	–	10,574	–	10,574	$61,118	$322,500	Sep-27
Vincent Portal-Barrault [3]	90,942	(17,650)	41,828	–	115,120	$665,394	$398,231	Dec-23

1. Based on the closing price of Atlas Arteria securities on 31 December 2023 of $5.78. The requirement is assessed at the higher of the purchase price or market value of the securities.
2. Commenced as an executive KMP on 30 August 2022.
3. The minimum securityholding requirement for the Luxembourg based executive has been converted to A$ at the 31 December 2023 exchange rate of A$1 = Euro 0.6166.

Performance rights held during the year

The terms and conditions of each grant of share rights affecting remuneration in the current or a future reporting period are as follows:

	Grant date	Number granted #	Number vested during the year #	Number lapsed during the year #	Number outstanding at the end of the year #	Financial year in which grant may vest	Value at grant date (if granted this year) $	Maximum value of grant to be expensed $	Vested %	Forfeited /lapsed %
Graeme Bevans	30 May 2023	7,788	–	–	7,788	FY2025	31,230	13,729	–	–
	30 May 2023	7,788	–	–	7,788	FY2025	32,087	7,045	–	–
	30 May 2023	208,644	–	–	208,644	FY2026	730,254	486,836	–	–
	10 May 2022	101,246	–	–	101,246	FY2025	–	155,488	–	–
	10 May 2022	101,246	–	–	101,246	FY2025	–	91,246	–	–
	28 April 2021	230,088	–	–	230,088	FY2024	–	34,733	–	–
	19 May 2020	146,434	–	146,434	–	FY2023	–	–	0%	100%
David Collins	23 March 2023	67,288	–	–	67,288	FY2026	237,527	158,423	–	–
	8 November 2022	35,164	–	–	35,164	FY2025	–	69,655	–	–
	8 November 2022	35,164	–	–	35,164	FY2025	–	36,135	–	–
Vincent Portal-Barrault	23 March 2023	75,075	–	–	75,075	FY2026	265,015	176,757	–	–
	6 April 2022	36,768	–	–	36,768	FY2025	–	48,570	–	–
	6 April 2022	36,768	–	–	36,768	FY2025	–	45,077	–	–
	28 April 2021	73,741	–	–	73,741	FY2024	–	11,122	–	–
	3 March 2020	61,332	–	61,332	–	FY2023	–	–	0%	100%

The numbers of performance rights over ordinary securities in the Groups held during the financial year by each executive KMP as well as the value of performance rights granted or exercised are set out in the table below. Vesting is subject to achieving challenging performance hurdles over the performance period.

Name	Balance at 31 December 2022 #	Granted in the year ended 31 December 2023[1] #	Exercised in the year ended 31 December 2023 #	Lapsed in the year ended 31 December 2023[2] #	Balance at 31 December 2023 #	Unvested at 31 December 2023 #	Value of performance rights granted during year[3] $
Graeme Bevans[1]	579,014	224,220	–	(146,434)	656,800	656,800	793,570
David Collins	70,328	67,288	–	–	137,616	137,616	237,527
Vincent Portal-Barrault	208,609	75,075	–	(61,332)	222,352	222,352	265,015

1. The total number of performance rights granted to the MD & CEO during the year under the 2023 Long Term Incentive Award and the number of additional awards granted under the 2022 Long Term Incentive Award which are subject to performance hurdles.
2. The number of performance rights lapsed during the year under the 2020 Long Term Incentive Award.
3. External valuation advice from Aon has been used to determine the value of the performance rights awarded during year ended 31 December 2023. The valuation was made using a Stochastic Model which includes a Monte Carlo simulation model. The value per instrument of the performance rights granted during the year in respect of the 2023 Long Term Incentive Award with relative and positive absolute TSR hurdles was $3.53 (23 March 2023) and $3.50 (30 May 2023). The value per instrument of the performance rights granted during the year in respect of the 2022 Long Term Incentive Award with relative and positive absolute TSR hurdles was $4.01 (30 May 2023) and with strategic and positive absolute TSR hurdles was $4.12 (30 May 2023).

Unvested STI Equity Awards during 2023

During 2023, awards of restricted securities equal to 50% of their awards under the Groups 2022 STI Plan were granted to the executive KMP. The securities were restricted for 12 months from the end of the 2022 STI performance period (31 December 2022). Following the end of the restriction period on 31 December 2023, the PRC has confirmed all executive KMP complied with the terms of the awards and accordingly, the awards have vested in full.

Details of the awards are as follows:

Name	Balance at 31 December 2022 #	Granted in the year ended 31 December 2023 [1] #	Vested in the year ended 31 December 2023 [2] #	Lapsed in the year ended 31 December 2023 #	Balance at 31 December 2023 #	Unvested at 31 December 2023 #	Value of restricted securities granted during year $
Graeme Bevans	127,570	125,186	127,570	–	125,186	125,186	799,940
David Collins [3]	n.a.	10,574	n.a.	n.a.	10,574	10,574	71,376
Vincent Portal-Barrault	37,455	41,828	37,455	–	41,828	41,828	282,340

1. Restricted Securities granted in respect of the 2022 STI Plan. These securities vested in full in February 2024.
2. Restricted Securities granted in respect of the 2021 STI Plan. These securities vested in full in January 2023.
3. Commenced on 30 August 2022.

10.3 Loans to Directors or related parties

There were no loans to Directors or related parties during 2023.

10.4 Other transactions with KMP

There were no other transactions with KMP.