



atlas**Arteria**

CORPORATE GOVERNANCE STATEMENT 2021

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This Statement outlines the key aspects of Atlas Arteria's corporate governance framework and practices for the year ended 31 December 2021. It has been approved by the Boards of Atlas Arteria Limited and Atlas Arteria International Limited (**Atlas Arteria Boards or Boards**).

Copies of the publicly available governance documents referred to in this statement can be found in the '[Corporate Governance section](#)' of the Atlas Arteria website (www.atlasarteria.com). These governance documents are regularly reviewed and updated to ensure that they remain consistent with legal and regulatory requirements and the values and strategic objectives of Atlas Arteria. The governance policies and practices adopted by Atlas Arteria follow the recommendations outlined in the ASX Corporate Governance Council's Principles and Recommendations 4th Edition (**ASX Principles and Recommendations**) as set out in this Statement.

Atlas Arteria comprises Atlas Arteria Limited (ACN 141 075 201) (**ATLAX**), an Australian public company, and Atlas Arteria International Limited (Registration No. 43828) (**ATLIX**), an exempted mutual fund company incorporated in Bermuda, both of which are listed on the Australian Securities Exchange (**ASX**). The securities of ATLAX and ATLIX are stapled and must trade and otherwise be dealt with together.

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

Detailed information in respect of Atlas Arteria's structure and constituent documents can be found in the '[Corporate Governance section](#)' of the Atlas Arteria website.

Entity	Type of entity	Assets
ATLAX	Australian public company	Dulles Greenway
ATLIX	Bermudian exempted mutual fund company	APRR, ADELAC, Dulles Greenway, Warnow Tunnel



1. THE BOARD OF DIRECTORS

Relevant governance documents



ATLAX and ATLIX Board Charters



The above governance documents are available on Atlas Arteria's website atlasarteria.com

1.1 Board Role and Responsibilities

Both ATLAX and ATLIX Boards have adopted formal charters, which, among other things, set out the roles and responsibilities of the Boards and identify those matters reserved for the Boards and those delegated to management.

The ATLAX and ATLIX Board Charters set out the respective Boards' responsibilities as follows.

Objective	Board Role and Responsibilities
Leadership and Culture	<ul style="list-style-type: none">– Defines Atlas Arteria's purpose and approve its Vision and Values Statement.– Sets the tone for, and monitor, Atlas Arteria's corporate culture, ethical standards and legal compliance in line with Atlas Arteria's Vision and Values Statement.– Prepared to challenge management and hold it to account.
Strategy and Performance	<ul style="list-style-type: none">– Oversees management in its implementation of Atlas Arteria's strategic objectives, instilling Atlas Arteria's values and performance generally.– Approves acquisitions, divestments, operating budgets and capital management activities.
Financial Oversight	<ul style="list-style-type: none">– Approves annual and half yearly financial statements, the Directors' Report and other material related to disclosures.– Monitors the financial performance of Atlas Arteria.– Monitors the integrity of the accounting and corporate reporting systems used for Atlas Arteria financial reporting, the integrity and effectiveness of internal controls and oversees the external audit.
Risk Management	<ul style="list-style-type: none">– Identifies and monitors Atlas Arteria's material business risks and oversees how they are managed.– Oversees the process for establishing a risk management framework in respect of Atlas Arteria's material business and operational risks (both financial and non-financial) and approves the risk management policy.– Sets the risk appetite within which management is expected to operate.– Monitors implementation of Atlas Arteria's risk management framework and reviews Atlas Arteria's risks.
Governance	<ul style="list-style-type: none">– Oversees corporate governance and regulatory compliance.– Ensures that an appropriate framework exists for relevant information to be reported by management to the Boards.– Oversees the process for making timely and balanced disclosure of all material information concerning Atlas Arteria that a reasonable person would expect to have a material effect on the price or value of Atlas Arteria's securities.– Oversees communications with securityholders and regulators.– Approves key policies governing the operations of Atlas Arteria and monitors the effectiveness of Atlas Arteria's governance practices.
People and Remuneration	<ul style="list-style-type: none">– Ensures that Atlas Arteria's remuneration policies are aligned with Atlas Arteria's purpose, Vision and Values Statement, strategic objectives and risk appetite.– Appoints, reviews the performance of, and when necessary, replaces the Chairs, the Chief Executive Officer, the Chief Financial Officer, and the Company Secretary.

1. THE BOARD OF DIRECTORS

In accordance with the ATLAX and ATLIX Board Charters, the Boards have implemented a Delegations of Authority Policy which identifies the matters specifically reserved for the decision of the Board and those delegated to the CEO, who can then sub-delegate where appropriate. The Boards monitor the division of responsibilities between the Boards and the CEO to ensure they continue to be appropriate and the Delegations of Authority Policy is reviewed and approved by the Boards at least once every two years.

Scheduled Board meetings are held approximately every two months for both ATLAX and ATLIX, and any additional meetings are called as required. Directors are provided with Board packs in advance of Board meetings, which contain sufficient information to enable informed discussion of all agenda items.

Details of Board meetings held during the year and individual directors' attendance at these meetings can be found on page 26 of Atlas Arteria's 2021 Annual Report (**2021 Annual Report**), which is available on Atlas Arteria's website.

1.2 Board Composition

The ATLAX and ATLIX Board Charters set out the requisite composition and membership criteria for the Boards. In summary, the majority of directors must be independent directors, there must be an independent Chair and the Boards must comprise directors with an appropriate mix of qualifications, skills, expertise and experience appropriate for Atlas Arteria's strategy. There should also be sufficient diversity in line with Atlas Arteria's Diversity and Inclusion Policy and diversity objectives. To ensure an appropriate process of board renewal, directors will generally retire after 10 years but their term can be extended if considered of significant benefit to Atlas Arteria.

ATLAX

The ATLAX Board comprises five directors each with broad industry experience. Four of the members are independent non-executive directors and there is one executive director. Four are resident in Australia, and one is resident in France. Any non-executive director is required to stand for re-election at least once every three years in compliance with the ASX Listing Rules.

The current directors of the ATLAX Board are as follows.

- Debra (Debbie) Goodin (Chair), Independent Non-executive Director from 1 September 2017 and Chair since 1 November 2020;
- Ariane Barker, Independent Non-executive Director from 1 March 2021;
- David Bartholomew, Independent Non-executive Director from 1 October 2018;
- Jean-Georges Malcor, Independent Non-executive Director from 1 November 2018;
- Graeme Bevans, Managing Director (CEO) appointed 1 April 2019.

During the year, Ariane Barker was appointed to the Board of ATLAX as part of the ongoing Board renewal program and was subsequently elected as a director by securityholders at the 2021 Annual General Meeting (**AGM**).

Refer to pages 23 to 24 of the 2021 Annual Report for ATLAX director profiles.

ATLIX

The ATLIX Board comprises five directors each with broad industry experience. All members of the ATLIX Board are independent non-executive directors. A director must not hold office (without re-election) past the third Annual General Meeting after which the director was elected or re-elected and at every AGM, one third of directors not otherwise

up for election, must stand for re-election. In addition, as contemplated by the Atlas Arteria Co-operation Deed, the ATLIX Board includes a director of ATLAX (Debbie Goodin) to facilitate and promote co-operation and consultation between the ATLIX and ATLAX Boards.

The directors of the ATLIX Board are currently as follows:

- Jeffrey Conyers (Chair), Independent Non-executive Director, Director and Chair since establishment on 16 December 2009 (Bermuda based);
- Fiona Beck, Independent Non-executive Director from 13 September 2019 (Bermuda based);
- Caroline Foulger, Independent Non-executive Director from 19 May 2020 (Bermuda based);
- Debbie Goodin, Independent Non-executive Director from 1 November 2020 (Australia based);
- Andrew Cook, Independent Non-executive Director from 26 November 2020 (Bermuda based).

The ATLIX Board undertakes active succession planning with four new directors having been appointed in the last three years. A succession process is currently underway for the position of ATLIX Chair. Mr Conyers' experience and corporate knowledge continues to be invaluable as recently appointed directors broaden their corporate knowledge and consolidate in their roles. Once a new Chair is selected and an appropriate transition process is completed, Mr Conyers intends to retire from the ATLIX Board, following which the ATLIX Board will reduce to four directors.

Refer to pages 24 to 25 of 2021 Annual Report for ATLIX director profiles.

1.3 Chairs

ATLAX has an Independent Non-executive Chair, Debbie Goodin.

ATLIX has an Independent Non-executive Chair, Jeffrey Conyers.

The Chair does not exercise the role of CEO for ATLAX or ATLIX. Graeme Bevans was appointed to the role of CEO of ATLAX on 1 April 2019.

1.4 Nomination and Appointment of Directors

Prior to a director's appointment, appropriate checks as to the person's character, experience, education, criminal record and bankruptcy history are undertaken.

All material information known to Atlas Arteria that is relevant to a decision to elect or re-elect a director is provided to securityholders in its notice of meeting. This enables securityholders to make an informed decision on whether to elect or re-elect the candidate. Such information will include biography details, relevant qualifications and experience, the skills they bring to the Board, details of any other material directorships, and a statement by the Board as to whether it supports the election or re-election of the candidate.

Each new director of ATLAX and ATLIX is provided with a letter of appointment that details the key terms of his or her appointment.

Appropriate checks are also undertaken for executive team appointments and all senior positions have formalised job descriptions and contracts of employment.

In addition, non-executive directors are required to meet minimum securityholding requirements, which require them to increase their securityholdings in Atlas Arteria to an amount that is equivalent to 100% of their annual base director fees within three years from the date of their appointment.¹

¹ Minimum securityholding requirements also apply to the CEO and other Key Management Personnel, which are detailed in the 2021 Remuneration Report.

1. THE BOARD OF DIRECTORS

1.5 Board Skills Matrix (Director Skills and Experience)

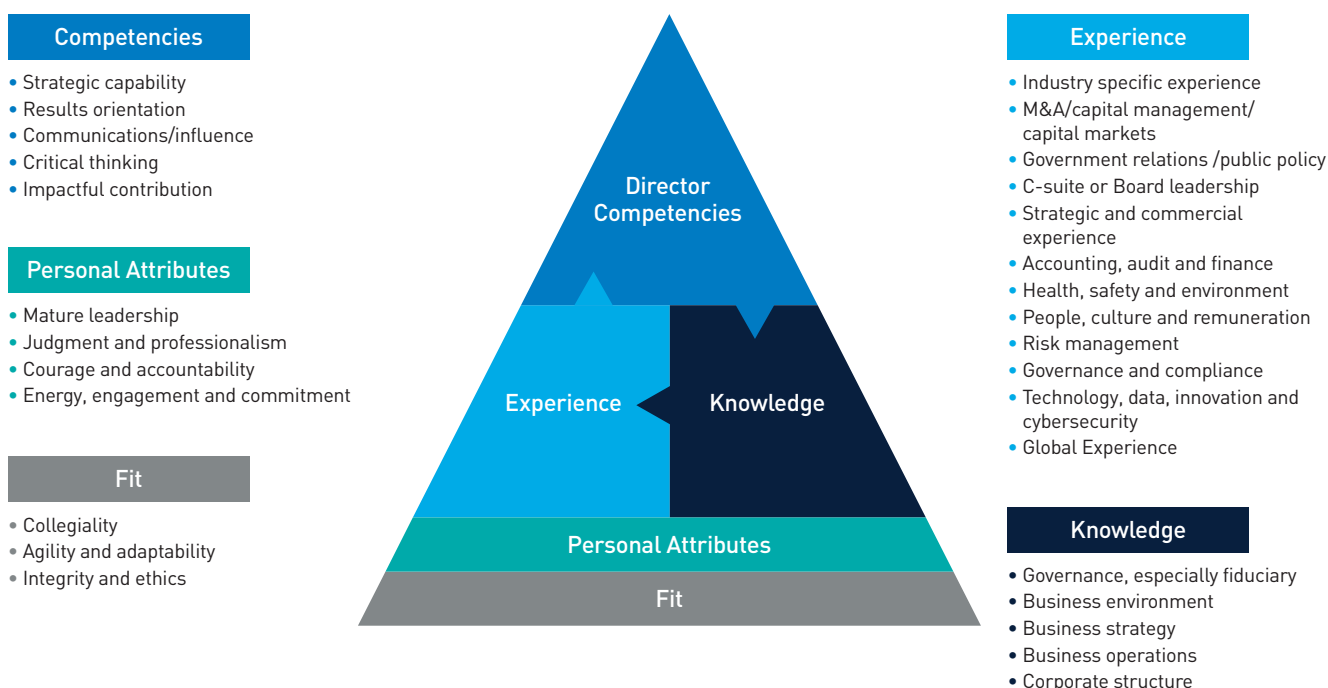
Atlas Arteria seeks to ensure that its Boards are comprised of directors with a diverse mix of skills, experience, backgrounds and perspectives relevant to Atlas Arteria's strategic objectives, and which enable the Boards to discharge their obligations effectively.

As part of the 2021 annual board performance review, the Boards undertook a comprehensive review of the Atlas Arteria skills matrix with the key objectives of:

- providing directors with an appropriate framework to assess their strengths and areas for development;
- improving board effectiveness;
- creating effective board development programs; and
- informing director recruitment and succession planning to enable Atlas Arteria to benefit from a diverse range of skills and experience, along with identifying the best possible fit with the Boards and the organisation.

This review resulted in the development and adoption of a comprehensive 'Atlas Arteria Director Profile', comprising the five categories of competencies, personal attributes, fit, knowledge and experience. A snapshot of the Atlas Arteria Director Profile is below.

Atlas Arteria Director Profile



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In 2021, the 'Atlas Arteria Director Profile' was used to review and assess the competencies, personal attributes, fit, knowledge and experience of each director. This review against the Atlas Arteria Director Profile involved directors completing both peer and self-assessments as well as seeking individual feedback from directors. The review also included the Boards undertaking an overall assessment against the Atlas Arteria Director Profile to determine the combined, skills, expertise and experience of the Boards. Directors were asked to self-assess their competency against each skill listed in the below matrix as either expert, competent, somewhat familiar or not very familiar. The outcome of these self-assessments were then reviewed by the Boards as a whole for accuracy and reasonableness. The skills and experience requirements listed in the matrix below were considered to be satisfied where at least one director was assessed as having a capability level of 'expert' or where at least two directors were assessed as having a capability level of 'competent.'

Having completed and reviewed these assessments, the Boards consider that the skills, expertise and experience required for effective board oversight of Atlas Arteria's operations, strategy and governance are adequately represented by the current directors.

1. THE BOARD OF DIRECTORS

Set out in the following matrix is a summary of key skills and experience assessed as important for Atlas Arteria. This includes relevant technical industry experience and skills as well as general corporate executive and director experience.

Experience	
Industry specific experience – Experience within the infrastructure or transport sectors.	✓
M&A/capital management/capital markets – Transactional experience including mergers, acquisitions, debt financing and capital raisings. – Understanding of demands and expectations of capital markets.	✓
Government relations/public policy – Experience in working or interacting with government authorities, regulators and other key stakeholders, multiple stakeholder relations and community engagement.	✓
C-suite or board leadership – Board, CEO and/or senior leadership experience in customer-facing operations, driving direction, organisational sustainability and change, strategic planning and managing rapid change and disruption.	✓
Strategic and commercial experience – Experience in developing, implementing and challenging strategic objectives using sound commercial judgement.	✓
Accounting, audit and finance – Experience in financial analysis and management to provide financial expertise in overseeing the integrity of Atlas Arteria's financial reporting, internal controls and control environment.	✓
Health, safety and environment – Experience in developing policies, strategies and initiatives in relation to workplace health and safety, environment (including climate change), sustainability and social responsibility.	✓
People, culture and remuneration – Experience in people matters including culture, talent management and development, succession planning and remuneration (including executive compensation structures and governance) and developing and implementing relevant frameworks, policies and practices.	✓
Risk management – Experience in developing risk management policies and frameworks, an understanding of financial and non-financial risks and the ability to identify, manage and monitor material risks.	✓
Governance and compliance – Experience in implementing and providing direction on organisation-wide governance and compliance policies, systems and frameworks and training and education.	✓
Technology, data, innovation and cybersecurity – Experience in information systems, new technologies and innovation, digital disruption, data, privacy and cyber security.	✓
Global experience – Experience doing business in France, Germany, Australia and the United States. – Current or prior service on boards/executive teams of global organisations. – Experience working with different cultures, and an understanding of business/organisational implications.	✓

In the event that the Boards or management do not possess the skills or experience required, external specialist assistance or advice will be obtained.

In addition to the experience, knowledge and other attributes outlined in the above Atlas Arteria Director Profile, all directors strongly endorse Atlas Arteria's values and the underlying STEER principles of Safety, Transparency, Engagement, Environmental and Social Responsibility, and Respect as more fully described in the Atlas Arteria's Vision and Values Statement. This includes bringing an active awareness of the importance of creating the right culture and modelling the right conduct.

1. THE BOARD OF DIRECTORS

1.6 Director Independence

In determining the status of a director's independence, Atlas Arteria has adopted standards of independence that are in line with the ASX Principles and Recommendations. The full details of Atlas Arteria's independence criteria are set out in Appendix 1 to the ATLAX and ATLIX Board Charters. The independence of each non-executive director is considered prior to appointment and then reviewed annually by the Boards. The Boards have determined for 2021 that all ATLAX and ATLIX non-executive directors are independent and that the Boards consist of a majority of independent directors.

Atlas Arteria considers that it is well served by having directors with varying tenures on its Boards to ensure that both a deep understanding of the business is maintained and fresh ideas and perspectives are brought to discussions.

The Atlas Arteria Boards have considered the tenure of Mr Jeffrey Conyers, who has been Chair of ATLIX since its inception in 2009 and believe that he continues to exercise independent judgement. Given the appointment of the current executive team in 2018 or later with the internalisation of management, Mr Conyers does not have deep associations with the management team and as such, his independence on the ATLIX Board is uncompromised.

1.7 Review of Performance

(a) Board Performance

To ensure that the directors of ATLAX and ATLIX are properly discharging their duties and to evaluate the performance of the Boards, their committees and individual directors, the following procedures have been established.

- an annual performance review of each Board, its committees, each Chair and individual directors. This is conducted either internally through a process of questionnaires and/or face-to-face meetings and Board discussion, or with the assistance of an external facilitator;
- the performance of directors nominating for election/re-election at the next Annual General Meeting is also assessed through discussion at Board meetings in the absence of the relevant director, to determine whether the Board will endorse the director's election/re-election;
- an induction programme for directors; and
- access by directors to continuing education to update and enhance their skills and knowledge. This includes regular in-house briefing sessions on emerging issues for the business, relevant regulatory and governance developments, and general business issues relevant to Atlas Arteria.

The 2021 annual performance review of the Boards, committees and directors was externally facilitated to enhance board practices, dynamics and overall effectiveness within the context of Atlas Arteria's strategy, business plan and operating environment.

Key activities of the review included:

- surveys to facilitate director self-assessments and peer assessments utilising the Atlas Arteria Director Profile (refer to Section 1.5 above);
- individual interviews with directors and the members of the executive leadership team;
- board and committee meeting observations;
- compilation of individual Director Feedback Reports and a Board Aggregate Report; and
- final Board Report and Presentation containing key actions and recommendations.

The outcomes and recommendations of the 2021 review will be considered by the Boards in the first quarter of 2022 and will include the development of action plans to address key recommendations.

(b) Executive Team Performance

At the commencement of the financial year, the Boards set the Key Performance Indicators (KPIs) for the CEO; and the CEO, in consultation with the Boards, sets the KPIs for each of the executive team. Regular feedback on performance is provided to the CEO and executive team throughout the year. At the end of the financial year, the CEO and each member of the executive team have their performance assessed against these KPIs and other relevant matters.

The formal performance review process has been completed for 2021 and more information in relation to the outcomes of the process for key management personnel can be found in the 2021 Remuneration Report at pages 32 to 50 of the 2021 Annual Report.

1.8 Director Induction and Professional Development

Atlas Arteria has a program for inducting new directors, which includes introductory meetings with other directors and management, receipt of introductory company materials and site visits. Due to the ongoing COVID-19 pandemic, site visits planned for 2020 and 2021 were postponed and will be rescheduled when it is considered safe and responsible to do so. Other appropriate professional development opportunities for ATLAX and ATLIX directors were provided throughout 2021 including a director education program, which covered relevant safety and operational matters. These opportunities, combined with an individual director education allowance, enable the directors to develop and maintain the skills and knowledge needed to effectively perform their role as directors.

1.9 Remuneration

The People and Remuneration Committees are responsible for overseeing the development of a formal, robust and transparent remuneration framework and policy for Atlas Arteria and for recommending to the Boards the remuneration packages of Atlas Arteria's directors and executive team.

Atlas Arteria's policies and practices in relation to the remuneration of non-executive directors and the remuneration of the Managing Director and the other Key Management Personnel can be found in the Remuneration Report at pages 32 to 50 of the 2021 Annual Report.

1.10 Independent Professional Advice

The directors of ATLAX and ATLIX are entitled to obtain independent professional advice at the Company's cost, subject to the estimated costs being first approved by the Chair and those costs being reasonable.

1.11 Company Secretary

The company secretaries of ATLAX and ATLIX are each accountable directly to the Boards, through the ATLAX and ATLIX Chairs, on all matters to do with the proper functioning of the Boards.

2. BOARD COMMITTEES

Relevant governance documents



ATLAX and ATLIX Audit and Risk Committee Charters

ATLAX and ATLIX People and Remuneration Committee Charters

ATLAX and ATLIX Nomination and Governance Committee Charters



The above governance documents are available on Atlas Arteria's website atlasarteria.com

Three standing Board Committees have been established by the Boards to assist with the discharge of their duties:

- Audit and Risk Committee;
- People and Remuneration Committee; and
- Nomination and Governance Committee.

The ATLAX and ATLIX Board Committees operate under similar formal charters, which are approved by the relevant Board. The Charters set out objectives, duties and responsibilities, composition and other procedural requirements. They include the right to interview management, meet with internal and external auditors (with or without management) and to seek advice from external consultants or specialists where it's considered necessary.

Committee papers and minutes are provided to all directors and Committee Chairs report on the Committee's work at the next scheduled Board meeting. Directors are invited to attend the meetings of any Committees regardless of whether they are a member.

Information regarding the number of times the Committees met throughout the 2021 financial year and the individual attendance of members at those meetings can be found at page 26 of the 2021 Annual Report.



The membership, composition and a summary of the key responsibilities of each Committee is set out in the table below.

Objective	Members	Composition	Key Responsibilities
Audit and Risk Committees²	ATLAX Committee Ariane Barker (Chair) Jean-Georges Malcor Debbie Goodin ATLIX Committee Caroline Foulger (Chair) Fiona Beck (until 31 December 2021) Jeffrey Conyers Andrew Cook (since 1 January 2022) Debbie Goodin	<ul style="list-style-type: none"> – A minimum of three members. – A majority of members must be independent directors. – All committee members shall be financially literate (able to read and understand financial statements). – The Chair must be an independent director and must not be the Chair of the Board. 	<ul style="list-style-type: none"> – Reviewing significant accounting and reporting issues and understanding their impact on financial reports. – Overseeing financial reporting processes implemented by management and review of financial statements. – Monitoring and reviewing the effectiveness of the internal control and operational risk management frameworks, and compliance with key risk management policies. – Monitoring and reviewing the processes for identifying, assessing, and responding to risks in a manner that is in accordance with the organisation's risk appetite. – Monitoring and reviewing key governance policies, including the Code of Conduct, Whistleblower Policy and Anti Bribery and Corruption Policy. – Overseeing external and internal audit, including reviewing significant audit findings and auditor independence.
People and Remuneration Committees	ATLAX Committee David Bartholomew (Chair) Ariane Barker (until 31 December 2021) Debbie Goodin Jean-Georges Malcor (since 1 January 2022) ATLIX Committee Fiona Beck (Chair) Jeffrey Conyers Andrew Cook Debbie Goodin	<ul style="list-style-type: none"> – A minimum of three members. – A majority of members must be independent directors. – The Chair must be an independent director. 	<ul style="list-style-type: none"> – Providing recommendations to the Board in relation to non-executive director fees, executive remuneration policy and framework (including short term and long-term incentive plans) and annual remuneration reviews for the CEO and senior executives. – Assisting the Board with reviewing senior executive performance, including the assessment of KPIs and at 'at-risk' remuneration. – Overseeing the development of personnel strategies and frameworks that support Atlas Arteria's business objectives, values and the attraction, retention and motivation of personnel. – Reviewing succession and development plans for senior executives. – Reviewing the effectiveness of Atlas Arteria's Diversity and Inclusion Policy and initiatives.
Nomination and Governance Committees	ATLAX Committee Debbie Goodin (Chair) Ariane Barker David Bartholomew Jean-Georges Malcor ATLIX Committee Jeffrey Conyers (Chair) Fiona Beck Andrew Cook Caroline Foulger Debbie Goodin	<ul style="list-style-type: none"> – All non-executive directors. – A majority of member must be independent directors. – The Chair of the Board will be the Chair of the Committee. 	<ul style="list-style-type: none"> – Reviewing board composition and succession planning and identifying and recommending suitable candidates for the Board. – Reviewing and evaluating the Board's skills matrix. – Overseeing procedures for non-executive director induction and the periodic evaluation of the performance of the Board, Board committees and individual directors. – Reviewing Atlas Arteria's corporate governance framework and relevant developments in corporate governance. – Monitoring the independence of directors, considering possible conflicts of interest and reviewing existing behaviour and ethical guidelines for directors.

² The qualifications and experience of the members of the Audit and Risk Committees are described in the 2021 Annual Report on pages 23 to 25.

3. DIVERSITY AND INCLUSION

Relevant governance documents



Diversity and Inclusion Policy



The above governance documents are available on Atlas Arteria's website atlasarteria.com

Atlas Arteria respects and values diversity, an inclusive culture and recognises that organisations with a diverse and inclusive workforce have been shown to be more successful, innovative, and agile.

Further, Atlas Arteria believes that a diverse and inclusive workforce and culture helps to attract and retain talent and provides a competitive advantage. Atlas Arteria aims to attract, develop, promote, and retain people who reflect the diversity of the customers, markets, and communities in which it operates. In addition to gender diversity, Atlas Arteria values diversity of experience, perspective, skills and views brought about by such things as differences in age, nationality, cultural background, sexual orientation, ethnicity, marital or family status, work experience and religious beliefs.

Atlas Arteria is an international business with corporate offices in Australia and Luxembourg and it also operates in the US, France and Germany with directors based in Australia, Bermuda and France. It is therefore important that the Atlas Arteria workforce is culturally diverse and reflects local customers, markets and communities. All Atlas Arteria wholly owned operations are managed by locally recruited executives and Atlas Arteria's Boards and executive team comprise members with international background and experience.

Atlas Arteria's directors and staff are highly diverse in nationality, language and culture with over 10 different nationalities represented among the eight non-executive directors and 48 employees. Atlas Arteria continues to foster an environment that celebrates the importance of cultural diversity across the business.

Atlas Arteria continues to review its policy on diversity and inclusion to ensure it adequately reflects the evolving expectations of the business, its communities and securityholders.

Atlas Arteria's Diversity and Inclusion Policy, sets out the diversity and inclusion commitments of the business, which are overseen and monitored by the Atlas Arteria People and Remuneration Committees.

Gender Diversity Objectives

Atlas Arteria is committed to maintaining gender diversity and continues to work towards a balanced representation of men and women at all levels, and within all teams and geographies across the organisation.

The Atlas Arteria Boards have established measurable objectives in relation to gender diversity in the composition of its Boards, senior executives and workforce generally. For this purpose, 'senior executives' is defined as Atlas Arteria executive team members, their direct reports and CEOs of the wholly owned businesses.

Atlas Arteria seeks to achieve or maintain (as the case may be) a gender balance of at least 40% male and 40% female on its Boards, within senior executive roles and across all employees. The below results confirm that Atlas Arteria's diversity targets were met in 2021.

2021 Diversity Performance

a) ATLAX and ATLIX Boards

The proportion of men and women on the ATLAX and ATLIX Boards as at 31 December 2021 is outlined below.

ATLAX Board (inc. MD/CEO)	ATLIX Board	Combined ATLAX/ ATLIX Boards (inc. MD/CEO)*
Male: 60%	Male: 40%	Male: 56%
Female: 40%	Female: 60%	Female: 44%

* Debbie Goodin sits on both the ATLAX and ATLIX Boards so has only been included once in the combined calculation.

b) Senior Executives and Permanent Workforce

The proportion of men and women in senior executive roles and across the workforce as at 31 December 2021 is outlined below.

Permanent Workforce	Senior Executives*
Male: 53%	Male: 44%
Female: 47%	Female: 56%

* 'Senior executives' is defined above.

2022 Diversity Objectives

The 40/40, male/female balance objective for our Boards, senior executives and workforce will continue through 2022, with a focus on achieving a balanced gender representation across all teams and jurisdictions.

Addressing Bias

Atlas Arteria is committed to ensuring recruitment and selection practices at all levels of the organisation support consideration of a diverse range of candidates and awareness of potential biases that may impact selection.

Measures proposed as part of the Talent Acquisition Strategy have been designed to drive a consistent and transparent process. This includes requiring recruiters to present shortlists that are truly diverse and engaging a broad range of Atlas Arteria employees to participate in the recruitment process to bring different perspectives, as well as clearly monitoring metrics to ensure transparency of our performance. In 2021, we were able to deliver on our commitment to provide shortlists for all roles that were truly diverse; focus on working with partners who are aligned with our commitment to true candidate diversity; and embed consistent processes across the talent acquisition process that are intended to remove any potential bias. These changes are now embedded and we expect to continue this way of working in 2022 and beyond.

3. DIVERSITY AND INCLUSION

Gender and Equity

Atlas Arteria continues to demonstrate its commitment to driving gender balance at all levels and we are proud to have again met our targets in 2021. There is recognition that this commitment to diversity is critical – particularly at senior levels – as is the willingness to explore issues of equity related to remuneration. Our annual remuneration review process operates under a rigorous and competitive remuneration framework. This includes measures to ensure that we are treating people fairly and that gender is not a consideration in salary review and performance assessment, including by analysing proposed outcomes by gender. To build on this framework, in 2022, we are proposing to conduct a targeted pay equity review to identify any potential gaps or opportunities.

In 2022, we will also work to reinforce the importance of gender diversity in the way we engage suppliers and partners. Recent changes to our Supplier Code of Conduct clearly articulate our expectations of suppliers and those we partner with. Organisations not aligned to our commitment to genuinely foster diversity will no longer work with us. To continue to deliver on our commitment, we will focus on driving greater transparency from our suppliers and partners.

Inclusion

Atlas Arteria is committed to creating a workforce culture that values inclusion and individuality, where discrimination, harassment, vilification, and victimisation will not be tolerated and where the views of others are welcomed and respected. Building on our investment in Unconscious Bias training, we have focused key development activities in 2021 on inclusive leadership and team effectiveness. All employees have had the opportunity to participate in targeted development sessions and complete a Herman Brain Dominance Instrument (HBDI) assessment to gain insight on preferences, strengths and opportunities to enhance how they work with others. Our 2022 leadership development program will build on the work we have started and focus on how to support all

leaders across Atlas Arteria to examine ways to improve the level of inclusiveness across the business. This will include communication, feedback and looking for ways to promote and support flexibility.

A key focus for 2021 has been the design, development and launch of our new Flexible Working Policy. The policy is contemporary and aligned with the preferences of our global workforce. As we face the challenge of supporting our employees to progressively return to the office during 2022, we will look at ways to embed and evolve this policy as needed.

In 2021, we also rolled out a new employee engagement approach, which involved the use of an annual survey to better understand the employee experience. A key focus was to understand the effectiveness of changes to ways of working that had been implemented and how our systems, processes and leaders support making Atlas Arteria a truly inclusive organisation.

In 2022, we will continue to look at ways to build on our investment in inclusive leadership and development. We will explore ways to understand inclusion on a number of levels including: policies (e.g., flexible working); frameworks and tools (e.g., performance management); and behaviours (e.g., leadership and team effectiveness). We have strong feedback mechanisms in place, which we will continue to use to gain insight on how effective these changes are, and where additional effort may be needed.

Diversity Insights

Since 2019, we have been focused on capturing and understanding employee data, with a strong focus on gender diversity. In 2022, we want to expand the focus of diversity and look for ways to better understand how different individuals and groups experience the culture of our business. By taking the opportunity to collect, understand and act on feedback related to diversity, equity and inclusion, it is anticipated that we can identify opportunities for improvement.



4. ACTING ETHICALLY AND RESPONSIBLY

Relevant governance documents



Vision and Values Statement
Code of Conduct
Whistleblower Policy
Continuous Disclosure Policy
External Communications Policy



Anti Bribery and Corruption Policy
Securities Trading (Windows) Policy
Environmental and Social Responsibility Policy
Modern Slavery Statement



The above governance documents are available on Atlas Arteria's website atlasarteria.com

4.1 Atlas Arteria's Vision and Values Statement

Atlas Arteria expects all directors, employees, contractors and consultants to act lawfully, ethically and responsibly, and in line with Atlas Arteria's Vision and Values Statement. The Vision and Values Statement is periodically revised and approved by Atlas Arteria's Boards as outlined in the ATLAX and ATLIX Board Charters. Senior management are responsible for instilling the Atlas Arteria vision and values across the organisation and this forms part of their performance evaluation.

Our **STEER** values guide our behaviour and the decisions we make as we work towards our vision.

- Safety is at our heart.
- Transparency in all we do.
- Engage for better outcomes.
- Environmentally and socially responsible.
- Respect in every interaction.

4.2 Code of Conduct

The Atlas Arteria Code of Conduct (**the Code**) sets out the standard of behaviour expected of directors, employees, contractors and consultants and is reflective of Atlas Arteria's Vision and Values Statement. The Code of Conduct requires the escalation of breaches of the Code and company policies to the Audit and Risk Committees and for appropriate and proportionate disciplinary action to be taken by directors and the executive team. Directors and the executive team are also expected to speak and act in ways that are consistent with the Code. The Code, together with the Vision and Values Statement, are used to guide decision making.

Employees are provided with copies of the Code and other company policies on commencement of employment. All employees are required to undertake training on the Vision and Values Statement and Code of Conduct along with certain other 'Atlas Foundation' training courses on a periodic basis. New starters must complete the training within the first 45 days of commencing their employment.

4.3 Whistleblower Policy

Atlas Arteria has a Whistleblower Policy that demonstrates its commitment to the highest standards of ethical practice and honest relationships, and to the protection of individuals who report suspected wrongdoing. The Whistleblower Policy has been adapted to cater for the different jurisdictions where Atlas Arteria operates. The policy applies to all current and former employees, directors and associates of, and any supplier of goods or services to, an Atlas Arteria entity. Compliance with the Whistleblower Policy is overseen by the Audit and Risk Committees.

Under the Whistleblower Policy employees are encouraged to speak up about unlawful, unethical or improper behaviour in an environment free from victimisation. The policy outlines the process for reporting any wrongdoing and requires that such matters are investigated, and appropriate action is taken.

The policy outlines the persons to whom a complaint may be made, including the Whistleblower Protection Officers who are appointed by the Boards and are responsible for protecting a whistleblower. The policy also provides details of the external Atlas Arteria Whistleblower Service that enables a whistleblower to make a complaint on an anonymous or identified basis. The policy requires the Whistleblower Protection Officers to report all complaints to the Audit and Risk Committees.

4.4 Continuous Disclosure Policy

Atlas Arteria has a Continuous Disclosure Policy that is in accordance with ASX listing rule 3.1. Under the policy, Atlas Arteria is required, subject to certain exceptions, to disclose to the ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price of its securities. This ensures that all stakeholders receive equal and timely access to material information. ATLAX and ATLIX are contractually obliged under the Atlas Arteria Co-operation Deed to exchange relevant information and coordinate ASX releases and financial reporting.

The Continuous Disclosure Policy includes protocols, among other things for:

- the reporting of potentially price sensitive information to our Disclosure Officers;
- responding to market speculation and rumours;
- the approval of ASX announcements, including specifying the matters that require board approval;
- approval for urgent disclosures where it is not possible to convene full board meetings in a timely manner.

In addition, it is a requirement of the Continuous Disclosure Policy that the ATLAX and ATLIX Boards are provided with copies of all market announcements promptly after they have been made.

4. ACTING ETHICALLY AND RESPONSIBLY

4.5 External Communications Policy

Atlas Arteria's External Communications Policy outlines the various ways Atlas Arteria communicates important information to investors and other key stakeholders.

The policy also provides additional guidance to Atlas Arteria directors, employees, contractors and consultants to ensure Atlas Arteria complies with the disclosure requirements in the ASX Listing Rules and sets out roles and responsibilities in that context.

In line with the ASX Principles and Recommendations, the Atlas Arteria External Communications Policy requires that, if Atlas Arteria gives a new and substantive investor or analyst presentation, Atlas Arteria should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

4.6 Securities Trading (Windows) Policy

The Boards have adopted policies on securities dealings which provide that Atlas Arteria directors and staff may only trade Atlas Arteria securities, at the discretion of the Boards, during the four-week windows following:

- (i) the release of Atlas Arteria's half-yearly and yearly financial results;
- (ii) the Annual General Meeting; and
- (iii) lodgement with ASIC and ASX of a disclosure document or a cleansing statement for a capital raising.

A special trading window may also be determined by the Boards at other times.

The policies consider that Atlas Arteria securities or security rights may be granted to Atlas Arteria employees as part of their remuneration. Employees who hold unvested or restricted Atlas Arteria securities: (i) must comply with the terms of those securities; and (ii) must not enter any transaction that limits the economic risk of holding unvested or restricted securities.

This includes a restriction on entering any transaction to manage the risk of the timing, likelihood or manner of vesting, or unrestricted vesting, of any unvested Atlas Arteria securities.

4.7 Anti Bribery and Corruption Policy

Atlas Arteria's Anti Bribery and Corruption Policy applies to all Atlas Arteria directors, employees, contractors and consultants. Compliance with the policy is overseen by the Audit and Risk Committees.

Atlas Arteria's Anti Bribery and Corruption Policy, among other things, prohibits the giving of bribes or other improper payments or benefits to public officials. Suspected or actual instances of bribery or corruption must be reported to the Atlas Arteria General Counsel or through the Atlas Arteria Whistleblower Service, in accordance with the process outlined in the Atlas Arteria Whistleblower Policy. The Audit and Risk Committees must be notified of any breaches of the Anti Bribery and Corruption Policy.

4.8 Environment and Social Responsibility (ESR)

Atlas Arteria's approach to ESR management is set out in the Atlas Arteria Environmental and Social Responsibility Policy and is discussed further in Section 5 below.

4.9 Modern Slavery Statement

In June 2021, the Boards approved Atlas Arteria's first Modern Slavery Statement. The statement outlines the steps Atlas Arteria has taken and the work it will continue to do, to ensure that it does not inadvertently support, nor contribute to Modern Slavery.



5. RISK MANAGEMENT AND CORPORATE REPORTING

Relevant governance documents



Risk Management Policy
Environmental and Social Responsibility Policy
Workplace Health and Safety Policy
Auditor Independence Policy
2021 Sustainability Report *(to be published in April 2022)*



The above governance documents are available on Atlas Arteria's website atlasarteria.com

5.1 Risk Management Oversight

Due to the nature of its business activities, Atlas Arteria is exposed to a variety of strategic risks which it actively monitors and reviews, in accordance with its Risk Management Policy and Framework.

While ultimate responsibility for Atlas Arteria's risk management framework rests with the Boards, the Audit and Risk Committees assist the Boards with the design and implementation of, and in monitoring compliance with, the risk management framework.

Atlas Arteria's Risk Management Policy outlines its approach to risk management and the responsibilities of Atlas Arteria staff in the identification, management and mitigation of risks.

Atlas Arteria has two key mechanisms to assist with the identification and management of Atlas Arteria's key risks: the Risk Appetite Statement and Risk Management Framework.

a) Risk Appetite Statement

Atlas Arteria's Risk Appetite Statement describes:

- the nature and amount of risk that Atlas Arteria is willing to accept in pursuit of an appropriate and resilient long-term return on capital;
- the risks Atlas Arteria is not willing to accept; and
- the processes established to ensure that risk tolerances are set at an appropriate level and the risks accepted are consistent with risk appetite.

b) Risk Management Framework

Atlas Arteria is committed to ensuring that risk management practices are embedded in all its business activities. A strong risk management culture is critical to Atlas Arteria achieving its organisational objectives and in executing its strategy.

To facilitate this, Atlas Arteria has implemented an integrated risk management framework which delivers a consistent approach to risk management practices across all levels of the organisation. The framework supports a consistent approach to the identification, classification and assessment of risks, depending on their nature and potential impact across various consequence categories, ensuring risk management is an inherent part of Atlas Arteria's business and strategic processes.

Atlas Arteria has adopted the 'three lines' model of risk management to support effective risk management practices and oversight, referring to these as the 'three lines of accountability'. This language emphasises that risk is something that should be actively managed, not necessarily prevented or minimised, recognising that risk can present opportunities as well as threats.

The first line is the corporate functions and businesses, which are accountable for the management of risk and responsible for identifying, assessing, managing, monitoring and mitigating the risks in their business processes.

The second line is the risk and compliance management function, which is accountable for 'review and challenge' of the first line, setting the risk management and compliance policy, providing advice on, and overseeing its implementation, as well as providing analysis and reporting on risk management and compliance performance to the Boards and Audit and Risk Committees. The second line also includes detailed risk reviews and peer reviews, which serve a key 'review and challenge' role that is particularly important in managing and assessing growth risks and the continual improvement of governance, risk management and internal control processes.

The third line is accountable for providing independent assurance of the effectiveness of the governance, risk management and controls in place. This role is performed by Atlas Arteria's Internal and External Audit functions.

Atlas Arteria has engaged the services of a third-party provider to undertake internal audits which provide independent assurance in the evaluation of the effectiveness of its governance, risk management and internal control processes.

The Risk Management Policy, together with the Risk Management Framework and Risk Appetite Statement are reviewed annually to ensure that risks continue to be appropriately managed. These have all been reviewed during the reporting period by the Audit and Risk Committees and Boards. In relation to 2021, the Audit & Risk Committees have reviewed Atlas Arteria's risk management framework and are satisfied that it continues to be sound and effective, and that Atlas Arteria is operating with due regard to the risk appetite set by the Boards.

5.2 Environmental and Social Responsibility

Atlas Arteria recognises the importance of maintaining responsible and sustainable business practices and continuing to monitor sustainability challenges including how they may impact our operations and portfolio over the long term.

Atlas Arteria's environmental, social and governance risks are managed through its broader risk management framework, with supporting policies including the Risk Management Policy and Environmental and Social Responsibility Policy.

Atlas Arteria has identified four priority areas that encompass the most significant environmental, social and governance (ESG) risks facing our business: 'safety', 'customers and community', 'our people' and 'the environment', with specific targeted actions identified for the effective management of each.

As part of the annual risk review process, a detailed assessment of Atlas Arteria's ESG risk was undertaken to assess our ESG practices. Through this we have identified actions to enhance the effectiveness and transparency of our ESG practices, including embedding appropriate risk and governance frameworks to support continual improvement.

For further detail on Atlas Arteria's associated risk and performance across each of these ESG priority areas refer to the 2021 Sustainability Report, which is due to be published on Atlas Arteria's website (www.atlasarteria.com) in April 2022.

5. RISK MANAGEMENT AND CORPORATE REPORTING

5.3 Integrity of Corporate Reports

a) CEO/CFO Declaration

Concurrent with the half year and full year financial statements presented to the Boards for their approval, the CEO and CFO provide the Atlas Arteria Boards with a declaration that, in their opinion, the financial records of Atlas Arteria have been properly prepared and maintained in accordance with the *Corporations Act 2001* (Cth) (Corporations Act), and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of Atlas Arteria. The declaration also confirms that their opinion has been formed based on a sound system of risk management and internal control, and which is operating effectively.

b) Auditor Independence

The Audit and Risk Committees have adopted the Auditor Independence Policy that includes the following to ensure the independence of the external auditor:

- the external auditor must remain independent from Atlas Arteria at all times and must comply with APES 110: Code of Ethics for Professional Accountants;
- the external auditor must comply with the auditor independence requirements of the Corporations Act (Division 3, 4 and 5 of Part 2M.4) and provide a written declaration to the Boards under Section 307C of the Corporations Act and APES 110 with respect to the half and full year audit of Atlas Arteria that it has remained independent;
- any non-audit assignments must not compromise auditor independence and must meet Atlas Arteria's guidelines for permissible assignments as set out in Schedule A of the Policy;

- non-audit assignments awarded to the external auditor must be approved in advance by the CFO, Audit Risk Committee Chairs and/or Audit and Risk Committees in accordance with the requirements of the Policy;
- all non-audit assignments are to be reported by the principal external auditor to the Boards in the six months ending 30 June and 31 December, within two months of the respective dates; and
- the Atlas Arteria audit engagement partner and review partner must be rotated every five years unless the Boards grant approval to extend the term for a further two years.

Atlas Arteria's current auditor is PricewaterhouseCoopers (PwC), and Mr Ben Gargett is the current signing partner assigned to Atlas Arteria.

The auditor attends Atlas Arteria's annual general meetings and is available to answer securityholder questions relevant to the audit, such as questions going to the conduct of the audit and the preparation and content of the auditor's report.

c) Corporate Reporting Validation

Atlas Arteria adopts a validation process to verify the integrity of periodic corporate reports such as the annual and half-yearly Directors' Report and the Sustainability Report. Matters in those reports are verified against their source and responsible members of management will be asked to provide sign-off where appropriate.



6. ENGAGEMENT WITH SECURITYHOLDERS

Relevant governance documents



External Communications Policy



The above governance documents are available on Atlas Arteria's website atlasarteria.com

Atlas Arteria provides comprehensive information about its business and governance to investors via its website (www.atlasarteria.com), including:

- an overview of Atlas Arteria's operations, history and legal structure;
- names, photographs and brief biographical information for each of the Atlas Arteria directors and the executive team;
- the ATLAX and ATLIX constitutions, Board Charters and Charters of each of the committees;
- corporate policies (or summaries of them) referred to in this statement;
- copies of annual reports and financial statements;
- copies of ASX announcements;
- copies of notices of meetings of securityholders and accompanying documents;
- copies of prospectuses and other offering documents;
- copies of investor packs and presentations; and
- disclosure about Atlas Arteria's operational and governance arrangements in the form required by ASIC Regulatory Guide 231 applying to listed infrastructure funds.

Market-sensitive information, including annual and interim financial results announcements and other presentations made to investors and analysts, is lodged with the ASX and placed on Atlas Arteria's website as soon as practically possible. Investors may also register via the Atlas Arteria website to receive notification of significant ASX announcements.

Atlas Arteria also has an investor relations programme that facilitates two-way communication with investors and includes:

- holding regular domestic and international roadshows with institutional investors, which usually coincide with the release of annual and interim financial results;
- presentations at investment conferences and relevant industry forums;
- holding of open investor days; and
- engagement with investors and proxy advisors prior to AGMs.

Analyst and roadshow presentations are released to the ASX prior to such presentations and are included on the Atlas Arteria website.

Atlas Arteria has a dedicated email address to facilitate communication between investors and Atlas Arteria's Investor Relations team. In addition, Atlas Arteria's securities registrar, Computershare, facilitates communications between Atlas Arteria and its securityholders. Securityholders can make a choice about how they wish to receive communications from Atlas Arteria and can elect to receive information such as notices of meetings, annual reports, dividend advice and other correspondence electronically.

Each of ATLAX and ATLIX is required to hold an AGM. The External Communications Policy sets out how Atlas Arteria facilitates and encourages securityholder participation at the AGMs, including by:

- inviting securityholders to submit questions prior to or during the meeting;
- including in the notice of meeting explanatory notes on the items of business that are drafted clearly and accurately;
- clearly informing securityholders and other stakeholders of the format of the meeting, time, location and business to be considered at least 28 days prior to the event;
- investing in accessible webcast technology to enable a maximum number of securityholders and other stakeholders to view meetings live (meetings can also continue to be viewed any time up to 12 months after the event);
- encouraging the use of proxies by securityholders who are unable to attend a meeting in person, including the use of online proxy forms; and
- ensuring that all substantive resolutions are decided by a poll rather than by a show of hands.

Atlas Arteria will follow similar practices, as appropriate, to those outlined above for any other securityholder meetings. In addition, details about how securityholders can participate at meetings are provided in the notice of meeting.



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