



# Board Charter

**Atlas Arteria International Limited**

# ATLIX Board Charter

## Introduction

Atlas Arteria Group (**Atlas Arteria**) is a dual stapled vehicle.

Atlas Arteria comprises Atlas Arteria Limited (ACN 141 075 201) (**ATLAX**), an Australian public company and Atlas Arteria International Limited (Registration no. 438 28) (**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.

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

## Purpose of this Charter

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

The Board is governed by the constitution of ATLIX.

## Role and Responsibilities

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

The responsibilities of the Board include:

- To provide leadership;
- To develop with management and set the strategic objectives for Atlas Arteria;
- To define Atlas Arteria's purpose and approve its Vision and Values Statement;
- To set the tone for, and monitor, Atlas Arteria's culture, ethical standards, corporate governance and legal compliance in line with Atlas Arteria's Vision and Values Statement;
- To approve acquisitions, divestments, operating budgets and capital management activities;
- To approve annual and half yearly financial statements and Directors' Report and other material related disclosures, including the Corporate Governance Statement, Modern Slavery Statement and other sustainability (including climate-related) reporting;
- To monitor the financial performance of Atlas Arteria;

- To identify and monitor Atlas Arteria's material business risks and to oversee how they are managed;
- To oversee 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 to approve the Risk Management Policy;
- To set the risk appetite within which Atlas Arteria is expected to operate;
- To ensure Atlas Arteria's remuneration policies are aligned with the Atlas Arteria purpose and Vision and Values Statement, strategic objectives and Risk Appetite Statement; and
- To ensure that an appropriate framework exists for relevant information to be reported by management to the Board.

In support of the above, the Board will:

- Appoint, review the performance of and when necessary, replace the Chair, the Chief Executive Officer, the Chief Financial Officer and the Company Secretary;
- Oversee management's performance including in its implementation of Atlas Arteria's strategic objectives and instilling of Atlas Arteria values;
- Monitor the integrity of the accounting and corporate reporting systems used for ATLIX financial reporting, the integrity and effectiveness of internal controls and oversee the external audit;
- Approve the appointment and removal of external auditors (on the recommendation of the Audit and Risk Committee);
- Oversee the process for making timely and balanced disclosure of all other material information concerning Atlas Arteria that a reasonable person would expect to have a material effect on the price or value of Atlas Arteria's securities
- Monitor implementation of Atlas Arteria's Risk Management Framework and review Atlas Arteria's risks;
- Approve key policies and targets relating to the operations of Atlas Arteria and monitor the effectiveness of Atlas Arteria's practices, and progress towards targets, relating to workplace health and safety, environment, sustainability (including climate) and governance;

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- Oversee the communication of key issues with shareholders and regulators; and
- Be prepared to challenge management and hold them to account.

## The Chair

The role and responsibilities of the Chair include:

- Leading the Board;
- Facilitating the effective contribution of all directors and promoting constructive and respectful relations between directors and between the Board and management;
- Approving board agendas and ensuring adequate time is available for discussion of all agenda items including strategic issues;
- Chairing Board and security holder meetings; and
- Representing the Board to external stakeholders (including investors) and communicating the Board's position on key issues.

## Composition

The following guidelines apply to Board composition:

- The Board is to comprise at least three directors, but not more than five directors;
- The Chair and a majority of the Board must be independent non executive directors. Independence of each director is assessed by the Board at least annually. For further details see appendix 1;
- In accordance with the Atlas Arteria Cooperation Deed, ATLIX has agreed that it will look favourably upon a ATLAX director being nominated for appointment or election to the ATLIX board (such that there will be at least one director in common between the ATLAX board and ATLIX board) where to do so will promote co-operation and consultation in respect of the affairs of ATLAX and ATLIX and where practicable take steps to facilitate that person's appointment or election to the ATLIX Board;
- There must not be half or more of the Board of directors located in any jurisdiction other than Bermuda and no person may be appointed as a director if it would cause a majority of the ATLIX Board to be resident for tax purposes in a jurisdiction other than Bermuda;
- Directors must stand for election on a three year rotational basis in accordance with the

requirements of the ATLIX constitution. 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; and

- If there is a vacancy on the Board that remains unfilled or if there are any casual vacancies on the Board, then the Board may appoint any person to fill that vacancy in accordance with the ATLIX constitution, to hold office only until the next general meeting of ATLIX shareholders.

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

- The Board is to be comprised of directors with an appropriate range of qualifications, skills, expertise and experience appropriate for Atlas Arteria's strategy; and
- The Board should contain sufficient diversity in line with Atlas Arteria's Diversity and Inclusion Policy to enable Atlas Arteria to achieve and maintain its diversity objectives.

## Non Executive Director Board Selection Process

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

## Meetings

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

## Committees

The Board may from time to time establish committees to assist it in the discharge of its duties, and, where appropriate, may delegate any of its powers to a committee or committees.

There are three standing Committees with written Charters setting out matters relevant to the composition, responsibilities and administration of such committees, and other matters that the Board may consider appropriate:

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- Audit and Risk Committee – comprised of at least three directors, all members must be non executive directors, a majority must be independent directors and the Chair must be an independent director who is not the chair of the Board;
- Nomination and Governance Committee – comprised of a least three directors, a majority must be independent directors and the chair must be an independent director; and
- Remuneration Committee – comprised of a least three directors, a majority must be independent directors and the chair must be an independent director.

The Committee Chairs must report on the Committee's work at the next scheduled Board meeting and minutes of each meeting will be prepared and circulated to all directors.

Notices of meetings and Committee papers are provided to all directors and directors not on the relevant Committee are invited to attend.

## Relationship with Management

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

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

## Induction and Training

### Induction

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

### Training

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

Each director will be invited to participate in:

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

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

## Performance Evaluation

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

## Access

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

Each director will have direct access to the Chief Executive Officer, Chief Financial Officer and Company Secretary and to any other staff member through the Chief Executive Officer or Company Secretary.

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

- the prior approval of the Chair (or in the case of the Chair, the Chair of the Audit & Risk Committee); and
- an estimate of the costs and the costs being reasonable.

## Charter Review

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

## Publication

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

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## Appendix 1

### Independence Requirements

A Director will be considered independent if not a member of management, and if they are free of any interests or relationships that could materially interfere with the director's ability to act in the best interests of ATLIX and independently of management.

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

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

A NED will normally be considered independent if they:

- are not a substantial shareholder of Atlas Arteria or of a company holding more than five per cent of Atlas Arteria's voting stock or an officer or employee of or professional adviser to, or otherwise associated directly with, a shareholder holding more than five per cent of Atlas Arteria voting stock;
- have not been employed within the last three years in an executive capacity by Atlas Arteria or any of its group members or been a director after ceasing to hold any such employment;
- have not been a partner, director or senior employee of a material professional adviser to Atlas Arteria and any of its group members within the last three years;
- have not had a material business relationship, including as a supplier, professional adviser, consultant or customer, within the last three years with Atlas Arteria or any of its group members or an officer of, or otherwise associated with, someone with such a relationship;
- have not been a director for such a period that their independence from management and substantial holders may have been compromised;
- do not have a material contractual relationship with Atlas Arteria or any of its group members other than as a director; and
- do not have any other interests or relationships (including close personal ties with any person who falls within any of the categories described above), that could materially interfere with the director's ability to act in the best interests of Atlas Arteria as a whole rather than the interests of a security holder or other party.

Further, to be considered independent a NED should not receive performance-based remuneration (including options or performance rights) from, or participate in an employee incentive scheme of ATLIX. The Nomination and Governance Committee reviews each Director's Declaration, tenure and the materiality of any interests or relationships disclosed by the NED. Materiality is assessed having regard to each individual director's circumstances, the circumstances of the supplier, customer or advisor and any other significant relationships with Atlas Arteria or any of its group members.

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

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

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