



atlasArteria

CORPORATE GOVERNANCE STATEMENT

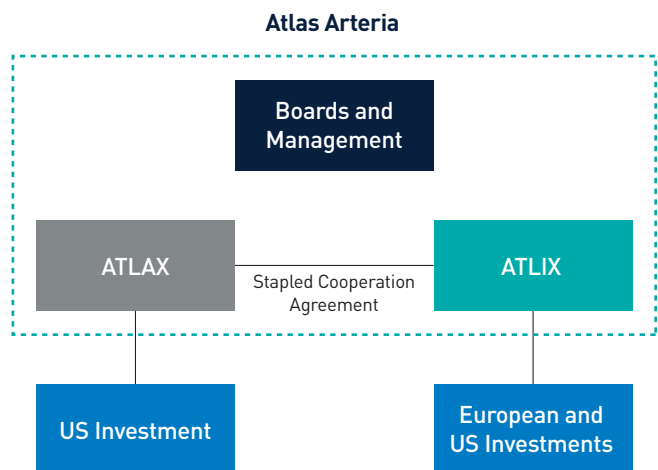
This statement outlines the key aspects of Atlas Arteria’s corporate governance framework and main corporate governance practices for the year ended 31 December 2020. It has been approved by the Atlas Arteria Boards. Copies of the publicly available governance documents referred to in this statement 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 *Fourth 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 cooperation deed which provides for the sharing of information, adoption of consistent accounting policies and coordination of reporting to securityholders (**Atlas Arteria Cooperation Deed**).

Detailed information in respect of the Atlas Arteria structure and constituent documents can be found in the ‘Corporate Governance’ section of the Atlas Arteria website (www.atlasarteria.com).

Atlas Arteria Structure



Entity	Type of entity	Assets	Source of income
ATLAX	Australian public company	Dulles Greenway	ATLAX derives its income primarily from its businesses
ATLIX	Bermudian exempted mutual fund company	APRR, ADELAC, Dulles Greenway, Warnow Tunnel	ATLIX derives its income primarily from its businesses

CORPORATE GOVERNANCE STATEMENT

Principle 1

Lay solid foundations for management and oversight

Relevant governance documents

ATLAX and ATLIIX Board Charters

Diversity and Inclusion Policy

Delegations of Authority Policy

Board Charter

Both ATLAX and ATLIIX operate pursuant to Board Charters adopted by their respective Boards. These are available on Atlas Arteria's website. The Board Charters, among other things, set out the roles and responsibilities of the respective Boards and identify those matters reserved for the Board and those delegated to management.

The ATLAX and ATLIIX Board Charters set out the respective Boards' responsibilities as follows:

- to provide leadership;
- to set Atlas Arteria's strategic objectives;
- to define Atlas Arteria's purpose and approve its Vision and Values Statement;
- to set 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;
- to approve acquisitions, divestments, operating budgets and capital management activities;
- to approve annual and half yearly financial statements and the Directors' Report and other material related to disclosures, including the corporate governance statement;
- to monitor the financial performance of Atlas Arteria;
- to identify and monitor Atlas Arteria's material business risks and 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 approve the risk management policy;
- to set the risk appetite within which the Boards expect Atlas Arteria management to operate;
- to ensure that Atlas Arteria's remuneration policies are aligned with the Atlas Arteria purpose, Atlas Arteria's Vision and Values Statement, strategic objectives and risk appetite;
- to oversee corporate governance and regulatory compliance; and
- to ensure that an appropriate framework exists for relevant information to be reported by management to the Boards.

In support of the above, the Atlas Arteria Boards will:

- appoint, review the performance of and when necessary, replace the Chairs, the Chief Executive Officer, the Chief Financial Officer, and the Company Secretary;
- oversee management in its implementation of Atlas Arteria's strategic objectives, and instilling Atlas Arteria's values and performance generally;
- monitor the integrity of the accounting and corporate reporting systems used for Atlas Arteria financial reporting, the integrity and effectiveness of internal controls and oversee the external audit;

- oversee 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;
- monitor implementation of Atlas Arteria's risk management framework and review Atlas Arteria's risks;
- approve key policies governing the operations of Atlas Arteria and monitor the effectiveness of Atlas Arteria's governance practices;
- oversee communications with securityholders and regulators; and
- be prepared to challenge management and hold it to account.

As contemplated in the Charters of the ATLAX and ATLIIX Boards, Atlas Arteria has developed a Delegations of Authority Policy which identifies matters specifically delegated to the CEO by the Boards who can sub-delegate where appropriate. Matters delegated to the CEO include such things as approving agreements in the ordinary course of business, certain employee appointments, external communications in line with the External Communications Policy and treasury related activities (subject to the Bank Governance and Treasury Policy). 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 ATLIIX, 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.

Director and Executive Team Appointments – Appropriate Checks

Prior to a director being put forward for election as a director and prior to a member of the executive team being appointed, 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 whether or not to elect or re-elect a director is provided to securityholders prior to election to enable them to make an informed decision on whether or not 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 ATLIIX is provided with a letter of appointment that details the key terms of his or her appointment.

All senior positions have formalised job descriptions and contracts of employment. In addition, the executive team are set Key Performance Indicators (KPIs) against which their performance is formally evaluated.

Company Secretary

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

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Diversity and Inclusion

Atlas Arteria respects and values diversity and recognises the benefits that a diverse and inclusive workforce can bring. Organisations with a diverse workforce and inclusive culture have been shown to be more successful, innovative, and agile.

Atlas Arteria believes that a diverse workforce and inclusive workforce culture will help to attract and retain talent and that will provide 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.

Atlas Arteria continues to review its policy on diversity and inclusion to ensure it properly reflects the evolving expectations of the business, community and securityholder expectations.

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.

Diversity Objectives

Gender Diversity

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 management and workforce generally. 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 executives and across all employees.

The respective proportions of men and women on the ATLAX and ATLIX Boards as at 31 December 2020 were as follows:

ATLAX and ATLIX Boards

ATLAX Board (incl. CEO)	ATLIX Board	Combined ATLAX/ ATLIX Boards (incl. CEO)*
Male: 75%	Male: 40%	Male: 62%
Female: 25%	Female: 60%	Female: 38%*

* Debbie Goodin sits on both the Australian and Bermudian Boards so has been only been included once in the combined calculation

The respective proportions of men and women in senior executive roles and across the workforce as at 31 December 2020 was as follows:

Senior Executives and Permanent Workforce

Permanent Workforce	Senior executives*
Male: 47%	Male: 47%
Female: 53%	Female: 53%

* Senior executives means the Atlas Arteria executive team members, their direct reports and CEOs of wholly owned businesses

Other than with respect to the ATLAX Board and combined ATLAX/ATLIX Boards for the months of November and December 2020, Atlas Arteria's diversity targets were met in 2020. With the recently announced appointment of Ms Ariane Barker as a director of ATLAX, from 1 March 2020 Atlas Arteria's gender diversity target will again be met across both Boards. The 40/40, male/female balance objective will continue through 2021 with a focus on achieving a balanced gender representation across all teams and jurisdictions.

Diversity Generally

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, among others.

Atlas Arteria is an international business with offices in Australia and Luxembourg and operating in the US, France and Germany. It is therefore important that the Atlas Arteria workforce be culturally diverse to reflect its customers and the markets and communities in which it operates. All Atlas Arteria wholly owned operations are headed up by locally recruited executives and the Atlas Arteria Board and executive team comprise members with international backgrounds and experience.

Atlas Arteria's Boards and head office team are highly diverse in nationality, language and culture with over 10 different nationalities represented among the 8 directors and 36 employees (as at 31 December 2021). Atlas Arteria will continue to foster an environment that celebrates the importance of cultural diversity across the business.

Diversity Commitments

Recruitment Practices

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. In support of this objective, in 2020 unconscious bias training was rolled out across the business to all corporate office employees as well as to the directors of both Atlas Arteria Limited and Atlas Arteria International Limited.

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, engaging a broad range of Atlas Arteria employees to participate in the recruitment, to bring their perspective to the process and clearly monitoring metrics to ensure transparency of our performance.

Equity in Pay

Atlas Arteria is committed to remunerating its staff in a fair and equitable way. In 2020, Atlas Arteria has developed a new Talent Acquisition Strategy which has been designed to drive a consistent and contemporary approach to recruitment across the business. Activities proposed in the strategy are being rolled out in 2021 including a focus on the need to enhance partnerships with recruiters to ensure that discussions of remuneration are fair, equitable and based on the most relevant benchmarking data available.

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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. In 2020, discussions generated in the Unconscious Bias sessions identified areas of focus for the business to help drive greater inclusion. These areas included recruitment, communication, and language. Strategies to improve these areas are being implemented in 2021.

In 2020, Atlas Arteria conducted targeted sessions for employees to explore issues identified in the employee engagement and culture survey (conducted in 2019) and devised an action plan focused on improving the overall experience for employees. Priority actions were focused on communication, coaching and development, performance management and policies to drive greater work-life balance.

In 2021, Atlas Arteria will implement a new employee engagement framework which will embed a regular cycle of capturing employee feedback and addressing key actions. Inclusion activities will be focused on improving inclusive leadership through coaching and development and driving greater flexibility for employees in how they work.

Training

Atlas Arteria provides training on key policies as part of the Atlas Foundations program. The scope includes our Vision and Values Statement, Code of Conduct and policies relating to equal opportunity, harassment and discrimination. Building on the training on unconscious bias that was conducted in 2020, in 2021 all people managers will be expected to participate in inclusive Leadership and Team Effectiveness sessions to improve the quality and consistency of leadership across the business.

Flexible Work Arrangements

Atlas Arteria is committed to flexible work practices in recognition of the domestic and other responsibilities of employees, regardless of gender. In light of the changes to work arrangements for all employees in 2020, brought about by the restrictions imposed by government in response to the COVID-19 pandemic, a full review of Atlas Arteria's Flexible Work Policy is being undertaken. Employee feedback highlights a desire for more employees to take-up flexible working arrangements once the COVID-19 restrictions are eased and the business will develop an approach that is more relevant, contemporary and better supports our diversity and inclusion commitments.

More detail in respect of diversity and inclusion in the workforces of the businesses that we operate can be found in the Sustainability Report at page 27 of the 2020 Annual Report.

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 put in place:

- An annual 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 the Board 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 2020 performance reviews have been conducted in accordance with this process, including through completion of questionnaires by Board and management. Results have been circulated and discussed and appropriate opportunities for improvement will be considered.

Executive Team Performance

At the commencement of the financial year, the Boards set the KPIs for the CEO, and the CEO in consultation with the Boards set the KPIs for each of the executive team. Regular informal 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 of the executive team will have their performance assessed against these KPI's and other relevant matters.

The formal performance review process has been completed for the 2020 year and more information in relation to the outcomes of the process for key management personnel can be found in the 2020 Remuneration Report at pages 42 to 59 of the Annual Report.

CORPORATE GOVERNANCE STATEMENT

Principle 2

Structure the board to be effective and add value

Relevant governance documents

ATLAX and ATLIX Board Charters
ATLAX and ATLIX Director Profiles
ATLAX and ATLIX Nomination and Governance Committee Charters

Board Composition

The ATLAX and ATLIX Board Charters set out the requisite composition and membership criteria for the ATLAX and ATLIX Boards, respectively. 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 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 four directors each with broad industry experience. Three of the members are independent non-executive directors and there is one executive director. Three are resident in Australia, and one is resident in France. Any director is required to stand for re-election at least once every three years in compliance with the ASX Listing Rules.

The directors of the ATLAX Board are currently as follows:

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

Former director

- Nora Scheinkestel (Chair until 1 November 2020)

Future director

- Ariane Barker (Director from 1 March 2021)

Refer to pages 34 of Atlas Arteria's 2020 Annual Report for director profiles.

With completion of internalisation and as part of an ongoing process of board renewal, Nora Scheinkestel retired as Chair and director on the ATLAX Board effective 1 November 2020. On 25 February 2021, Atlas Arteria announced the appointment of Ariane Barker as an independent non-executive director of ATLAX effective 1 March 2021.

Information regarding the number of times the ATLAX Board met throughout the 2020 financial year and individual attendances of each director at those meetings can be found on page 36 of the 2020 Annual Report:

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 Annual General Meeting, one third of directors not otherwise up for election, must stand for re-election.

The directors of the ATLIX Board are currently as follows:

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

Former directors

- James Keyes (Director until 19 May 2020)
- Nora Scheinkestel (Director until 1 November 2020)
- Derek Stapley (Director until 26 November 2020)

Refer to pages 35 of Atlas Arteria's 2020 Annual Report for director profiles.

Information regarding the number of times the ATLIX Board met throughout the 2020 financial year and the individual attendance records of each director can be found on page 36 of the 2020 Annual Report.

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.

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 and fresh ideas and perspectives are brought to discussions. Jeffrey Conyers has been Chair of ATLIX since inception in 2009.

As ATLIX continues its process of orderly Board renewal with the retirement of three long serving directors in the last 12 months, Mr Conyers' experience and corporate knowledge remains important through this transition period as new directors consolidate in their roles and a successor as Chair of ATLIX is developed.

The Atlas Arteria Boards have considered the tenure of Mr Conyers and believe that he continues to exercise independent judgement and that, particularly given the appointment of the current management team in the last 3 years as part of internalisation, he does not have such deep associations with the management team that his independence on the ATLIX Board is compromised.

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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.

A summary of key skills and experience assessed as important for Atlas Arteria can be found in Table 1 below. This includes relevant technical industry experience and skills as well as general corporate executive and director experience.

These skills and experience gained in a cross cultural and broad international context, a learning mindset, an openness to ideas and an ability and willingness to challenge and to engage in constructive debate with management are essential for a high performing and effective Board. All directors strongly endorse the Atlas Arteria 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.

The Atlas Arteria Boards have assessed the skills and experience of directors against both the technical and general corporate criteria and consider that they are appropriately covered. In the event that the Board or management do not have the skills or experience required, external specialist assistance or advice is obtained.

Further information on the skills and experience of ATLAX and ATLIX directors can be found in Atlas Arteria's 2020 Annual Report in the directors' profiles on pages 34 and 35.

Table 1: Skills Matrix (as at February 2021)

Skills & Experience	Explanation
Industry specific knowledge and experience	Experience within the infrastructure or transport sectors, including global experience.
M&A/capital management/ understanding of capital markets	Transactional experience including mergers, acquisitions, debt financing and capital raisings. Understanding of demands and expectations of capital markets.
Government relations/public policy	Understanding of or having experience in working or interacting with government authorities, regulators and other key stakeholders, multiple stakeholder relations and community engagement.
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 acumen	Experience in developing, implementing and challenging strategic objectives using sound commercial judgment.
Accounting, audit and financial acumen	Accounting qualifications and/or experience in financial analysis and management to provide financial expertise in overseeing the integrity of Atlas Arteria's financial reporting and internal controls and environment.
Health, safety & environment	Good working understanding of or 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 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	Knowledge of governance issues including understanding of corporations and securities law and practice and listing rules in Australia, Bermuda and/or other relevant jurisdictions. 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	Understanding of, or experience in, information systems, new technologies and innovation, digital disruption, data, privacy and cyber security.

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Nomination and Governance Committee

To assist the ATLAX and ATLIx Boards in ensuring that Board members have an appropriate and diverse mix of skills, backgrounds and experience, the Boards have each established a Nomination and Governance Committee. The ATLAX and ATLIx Nomination and Governance Committees operate under similar formal charters that are available on the Atlas Arteria website. The Charters set out the roles and responsibilities of the Nomination and Governance Committees, which include: advising on Board composition and succession; making recommendations in relation to appointments; retirements and terms of office; and advising on corporate governance matters. The Charters are reviewed once every two years with a Committee evaluation undertaken annually.

All ATLAX and ATLIx non-executive directors are members of their respective Nomination and Governance Committee. The independent Board Chair of each of ATLAX and ATLIx serves as Chair of the respective Nomination & Governance Committee and the Committees operate according to their respective Nomination and Governance Committee Charters.

The members of the ATLAX and ATLIx Nomination and Governance Committees are as follows:

ATLAX

Debra Goodin, Chair (from 1 November 2020)

David Bartholomew

Jean-Georges Malcor

Former members

Nora Scheinkestel (Chair until 1 November 2020)

ATLIx

Jeffrey Conyers, Chair

Fiona Beck

Caroline Foulger (from 19 May 2020)

Debra Goodin (from 1 November 2020)

Andrew Cook (from 26 November 2020)

Former members

Nora Scheinkestel (until 1 November 2020)

James Keyes (until 19 May 2020)

Derek Stapley (until 26 November 2020)

Information regarding the number of times the ATLAX and ATLIx Nomination and Governance Committees met throughout the 2020 financial year and the individual attendance of members at those meetings can be found at page 36 of the Annual Report.

Chairs

ATLAX has an Independent Non-Executive Chair, Debra Goodin.

ATLIx has an Independent Non-Executive Chair, Jeffrey Conyers.

In neither case does the Chair exercise the role of CEO. That role is performed by Graeme Bevans, who was appointed CEO on 1 April 2019.

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. In addition, appropriate professional development opportunities for ATLAX and ATLIx directors were provided throughout 2020 and a director education program is being developed with input from directors for 2021. 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.

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.

CORPORATE GOVERNANCE STATEMENT

Principle 3

Instil a culture of acting lawfully, ethically and responsibly

Relevant governance documents

Vision and Values Statement
Code of Conduct
Whistleblower Policy
Anti-Bribery and Corruption Policy
Securities (Windows) Trading Policy
Environmental and Social Responsibility Policy

Atlas Arteria's Vision and Values Statement

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

Code of Conduct

The Atlas Arteria Code of Conduct covers how Atlas Arteria expects its directors and staff to deal with external parties as well as internally and is reflective of Atlas Arteria's Vision and Values Statement. The Code sets out the standard of behaviour expected of ATLAX and ATLIX directors, the executive team and employees. The Code of Conduct also requires the escalation of breaches of the Code and company policies to the ATLAX and ATLIX 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 consistently with the Code. The Code, together with the Vision and Values Statement, should be used to guide decision making.

Employees are provided with copies of the Code and other company policies on commencement of employment. From 2021, all new starters will be expected to undertake training on the Vision and Values Statement and Code of Conduct along with certain other 'Atlas Foundation' training courses within the first 90 days of their employment.

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 each jurisdiction in which it 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 ATLAX and ATLIX 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 be investigated and appropriate action be taken. The policy designates 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 Atlas Arteria Whistleblower Service that has been set up by Atlas Arteria via which a whistleblower may make a complaint on an anonymous or identified basis. The policy requires the Whistleblower Protection Officers to report all complaints to the ATLAX and ATLIX Audit and Risk Committees.

Anti-Bribery and Corruption Policy

Atlas Arteria has an anti-bribery and corruption policy that can be found on its website. The anti-bribery and corruption policy applies to all Atlas Arteria directors, employees, contractors and consultants. Compliance with the policy is overseen by the ATLAX and ATLIX 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 Whistleblowing Service, in accordance with the process outlined in the Atlas Arteria Whistleblower Policy. The ATLAX and ATLIX Audit and Risk Committees must be notified of any breaches of the Anti-bribery and Corruption Policy.

Environment & Social Responsibility (ESR)

Atlas Arteria's approach to ESR management is set out in the Atlas Arteria Environmental and Social Responsibility Policy and the Sustainability Report on pages 20 to 29 of the Atlas Arteria Annual Report. This is discussed further in Principle 7.

CORPORATE GOVERNANCE STATEMENT

Principle 4

Safeguard the integrity of corporate reports

Relevant governance documents

ATLAX and ATlix Audit and Risk Committee Charters
Auditor Independence Policy

Audit and Risk Committees

Each of ATLAX and ATlix has an Audit and Risk Committee consistent with the ASX Principles and Recommendations. The ATLAX Audit and Risk Committee is comprised of three independent non-executive directors and the ATlix Audit and Risk Committee is comprised of four independent non-executive directors as follows:

ATLAX

- Jean-Georges Malcor, Chair (member from 1 November 2018 and Chair from 1 November 2020)
- Debra Goodin (Chair until 1 November 2020)
- David Bartholomew (from 1 November 2020)

ATlix

- Caroline Foulger, Chair (member from 19 May 2020 and Chair from 21 September 2020)
- Jeffrey Conyers
- Fiona Beck
- Debra Goodin (from 1 November 2020)

Former members

- Nora Scheinkestel (until 1 November 2020)
- Derek Stapley (Chair until 21 September 2020 and member until 26 November 2020)

The qualifications and experience of the members of both Audit and Risk Committees are described in Atlas Arteria's 2020 Annual Report on pages 34 and 35.

Information regarding the number of times the Audit and Risk Committees met throughout the 2020 financial year and individual attendances of the members at those meetings can be found on page 36 of the 2020 Annual Report.

Audit and Risk Committee Charters

The ATLAX and ATlix Audit and Risk Committees operate under similar formal charters that are available on the Atlas Arteria website. The Charters set out the role and responsibilities of the Audit and Risk Committees, including in relation to financial reporting, risk management, compliance, internal control and audit, and external audit. Review of the Charters and the extent to which the Committees have met their Charter occurs at least once every two years and there is an annual evaluation of the performance of the Committees. The Charter also includes the right to information, to interview management and internal and external auditors (with or without management), and to seek advice from external consultants or specialists where the Committee considers that necessary or appropriate.

The Audit and Risk Committees meet with the external auditor (without management) at least twice a year and more frequently if required.

CEO/CFO Declaration

Concurrently with the half year and full year financial statements being presented to the Atlas Arteria 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 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 on the basis of a sound system of risk management and internal control which is operating effectively.

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 2001 (Division 3, 4 and 5 of Part 2M.4) and provide a written declaration to the Boards under Section 307C of the Corporations Act 2001 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, ARC 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 Atlas Arteria 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 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.

Corporate Reporting Validation

Atlas Arteria adopts a validation process to verify the integrity of periodic corporate reports such as the annual and half-yearly Director's Reports 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.

CORPORATE GOVERNANCE STATEMENT

Principle 5

Make timely and balanced disclosure

Relevant governance documents

Continuous Disclosure Policy
External Communications Policy

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

Atlas Arteria also has an External Communications Policy that provides additional guidance to Atlas Arteria directors, employees, contractors and consultants to ensure Atlas Arteria compliance with the disclosure requirements in the ASX Listing Rules and to set out roles and responsibilities in that context.

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.

In addition, the Boards must pre-approve releases dealing with matters of strategic significance for Atlas Arteria, or matters impacting Atlas Arteria's reputation, major transforming events or transactions, and results or other earnings or outlook related announcements. Traffic releases and releases relating to matters approved by the Boards under the Delegation of Authority Policy must also be approved by the Boards prior to release, if required by the Board Chairs. Protocols exist should disclosure be required urgently and it is not possible to convene full board meetings in a timely manner.

In line with the ASX Principles and Recommendations, the Atlas Arteria External Communications Policy also 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.

Principle 6

Respect the rights of securityholders

Relevant governance documents

External Communications Policy

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

- an overview of the Atlas Arteria 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 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.

Investors are provided with an annual report and financial statements, either by accessing the Atlas Arteria website, or in hard copy if specifically requested, which keep them informed of Atlas Arteria's performance and operations. Investors are notified in writing when this material becomes available and are provided with details of how to access it.

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 the Atlas Arteria website, as soon as practically possible. Investors may also register via the Atlas Arteria website to receive notification of significant ASX announcements.

Domestic and international roadshows are held regularly for institutional investors. Analyst and roadshow presentations are released to the ASX prior to such presentations and are included on the Atlas Arteria website.

Each of ATLAX and ATLIX is required to hold an AGM. The 2021 AGMs will be held at 9pm on 26 April 2021/10am on 27 April 2021 (Bermuda/Melbourne times) via live audio webcasts. Securityholders will be able to submit questions prior to the meetings and participation in the meeting through an online platform will be facilitated.

For scheduled meetings, an explanatory memorandum on the resolutions is included with the notice of meeting. Unless specifically stated in the notice of meeting, all holders of fully paid securities are eligible to vote on all resolutions. In the event that securityholders are unable to attend scheduled meetings, they may lodge a proxy in accordance with the Corporations Act or Bermudan Companies Act, as applicable. Proxy forms may be mailed or lodged online. All substantive resolutions at a meeting of securityholders will be decided by a poll rather than by a show of hands.

CORPORATE GOVERNANCE STATEMENT

Principle 7

Recognise and manage risk

Relevant governance documents

Risk Management Policy
Environmental and Social Responsibility Policy
Workplace Health and Safety Policy
2020 Sustainability Report

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 ATLAX and ATLIx Boards, the ATLAX and ATLIx Audit and Risk Committees (refer Principle 4 above) 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 into all of 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 functions, 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 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 and submitted to the Atlas Arteria Audit and Risk Committees and Boards for approval.

Environmental and Social Responsibility

Atlas Arteria recognises the importance of maintaining responsible and sustainable business practices and continuing to monitor sustainability challenges and 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 represent the most significant 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.

For further detail on Atlas Arteria's performance across each of these priority areas refer to the 2020 Sustainability Report at pages 20 to 29 of the Annual Report.

CORPORATE GOVERNANCE STATEMENT

Principle 8

Remunerate fairly and responsibly

Relevant governance documents

ATLAX and ATlix People and Remuneration Committee Charters

2020 Remuneration Report

Securities Trading (Windows) Policy

People and Remuneration Committees

The ATLAX and ATlix Boards have established the ATLAX and ATlix People and Remuneration Committees.

The People and Remuneration Committees are comprised of independent non-executive directors only, as follows:

ATLAX

- David Bartholomew, Chair
- Debbie Goodin
- Jean-Georges Malcor (from 1 November 2020)

Former members

Nora Scheinkestel (until 1 November 2020)

ATlix

- Fiona Beck, Chair (member from 13 September 2019 and Chair from 19 May 2020)
- Jeffrey Conyers
- Debbie Goodin (from 1 November 2020)
- Andrew Cook (from 26 November 2020)

Former members

- Nora Scheinkestel (until 1 November 2020)
- James Keyes (Chair until 19 May 2020)

ATLAX and ATlix People and Remuneration Charters

The People and Remuneration Committees both operate according to People and Remuneration Committee Charters (**PRC Charters**). The PRC Charters charge the Committees with, among other things, responsibility for developing a formal, robust and transparent remuneration framework for the Atlas Arteria remuneration policy and for recommending the remuneration packages of Atlas Arteria directors and executive team to the Boards.

The People and Remuneration Committees review their respective PRC Charters and compliance with the Charters once every two years and conduct annual evaluations of the People and Remuneration Committees' performance.

Atlas Arteria's policies and practices in relation to the remuneration of non-executive directors and the remuneration of executive directors and the other members of the executive team can be found in the Remuneration Report at pages 42 to 59 of the 2020 Annual Report.

Staff and Director Trading

The ATLAX and ATlix 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 contemplate that Atlas Arteria securities or security rights may be granted to Atlas Arteria staff 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.