



Managing Conflicts Policy

Atlas Arteria Limited
Atlas Arteria International Limited

None of the entities noted in this document is an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities.

Managing Conflicts Policy

Introduction

This policy applies to the directors on the boards of Atlas Arteria (ALX) and to employees, contractors and consultants of ALX and Macquarie Group Limited and its related entities who serve as officers of or provide management and advisory services to ALX (**ALX Staff**).

For the purposes of this document:

- **ALX** means Atlas Arteria Limited ACN 141 075 201 (**ATLAX**) and Atlas Arteria International Limited Registration number 43828 (**ATLIX**) and their controlled entities
- **ALX Manager** means Macquarie Fund Advisers Pty Limited ACN 127 735 960, manager of Atlas Arteria Limited and adviser to Atlas Arteria International Limited
- **Macquarie** means Macquarie Group Limited ACN 122 169 279 and its subsidiaries and any fund or other vehicle that is managed by Macquarie Group Limited or subsidiary.

Policy Statement

This policy sets out the requirements for identifying and managing conflicts which arise in the day to day activities of ALX. It deals with personal conflicts and also conflicts that arise out of the fact that the ALX Manager is part of Macquarie and that ALX may transact from time to time or share staff or information with Macquarie. Compliance with this policy is overseen by the ATLAX and ATLIX Nomination and Governance Committees.

A significant breach of this policy will be dealt with by the ALX CEO and the relevant Nomination and Governance Committee, with elevation to the Board if the Committee considers appropriate. In the case of ALX staff, a breach may involve the removal of ALX staff from performing services for ALX.

Personal Conflicts

In the case of the ALX Boards:

- Directors must declare their interests as required under the Australian Corporations Act, Bermudan Companies Act, Australian Listing Rules and other general law requirements
- Board members with a material personal interest in a matter are not to be present at board meetings during the consideration of the matter and subsequent vote unless the rest of the Board resolves otherwise

- Board members with any conflict, albeit not involving a material personal interest, may nevertheless be required to absent themselves from the relevant deliberations and vote of the Board
- Shareholder approval is required under the Australian Corporations Act in respect of financial benefits being provided to directors and associates, other than usual director remuneration and indemnities. Shareholder approval is required under the Bermudan Companies Act for loans (or guarantee or security in connection with any loan) being made to directors
- Shareholder approval may be required under the Australian Listing Rules in respect of transactions with directors and associates who are substantial shareholders and will be required in respect of the placement of securities to directors and associates.

In the case of ALX staff who work on day to day basis for ALX:

- The interests of ALX should be preferred over those of Macquarie
- Any personal or business activities or interests that may give rise to a conflict of interest should be disclosed to the ALX Compliance Manager who will elevate to the ALX CEO or Chairman of the ATLAX or ATLIX Nomination and Governance Committee as necessary
- To the extent practicable ALX staff who are officers of ATLAX or ATLIX should not be involved in negotiations in respect of the terms of Macquarie management arrangements with ALX
- ALX staff who are ALX's representatives on asset boards shall act in ALX's interests subject to their overriding fiduciary and legal obligations to act in the best interests of the company
- ALX staff who are appointed as ALX representatives to asset boards need to check whether they are able at law and under shareholder documents to vote on any matters involving transactions with or services to be provided by Macquarie to the asset. If there are any such voting restrictions they should advise the ALX boards on a case by case basis

Managing Conflicts Policy

- Sharing of back office staff and asset managers with other Macquarie entities is permitted with dedicated ALX Manager senior personnel being responsible for ensuring that ALX's interests are appropriately protected through appropriate oversight and direction.

Business Conflicts

In the case of dealings with Macquarie:

- Macquarie entities are not related parties of ALX for the purposes of the Corporations Act or the ASX Listing Rules (which adopts the same definition as the Corporations Act). This is because ALX is not controlled by Macquarie Group as the management arrangements in place are discretionary and require the ALX boards whose directors are elected by shareholders to make all key decisions
- From time to time, Macquarie may be a substantial shareholder in ALX under the ASX Listing Rules. Accordingly shareholder approvals may be required in respect of certain transactions with or share issues to Macquarie including the issue of shares in connection with performance fee payments which would result in Macquarie holding 25% or more of ALX shares. The ASX also has discretion to require a listed entity to seek shareholder approval where it is of the view that it is transacting with a person of significant influence and accordingly it may be prudent to seek confirmation from the ASX (depending on the transaction) that shareholder approval is not required
- As a manager/adviser MFA, under its Australian Financial Services Licence must appropriately manage conflicts when providing services to ALX
- Transactions or services contracts with Macquarie at the stapled company level or with wholly owned holding entities should be on arms length terms which are benchmarked to market to the satisfaction of the independent directors. Each transaction or services contract should be approved by the independent directors. Standing approvals requiring relevant criteria to be met may be given, for example, in respect of using Macquarie for routine foreign exchange transactions
- Where shareholder approval is required for a transaction with Macquarie and an independent expert report or valuation must be provided for shareholders, the independent directors must select the expert or valuer and approve the terms of the engagement
- Transactions with and services to be provided by Macquarie at the asset company level should be on arms length terms which are benchmarked to market. For transactions or services involving fee payments greater than \$250,000 the ALX boards should be informed of the proposed arrangements prior to them being entered into and, if applicable, direct any shareholder vote required in respect of them. If the transaction or services contract is to be approved by the asset board only then in the case of controlled assets (either solely or with other Macquarie entities or negatively controlled) the independent directors should confirm they have no objection in respect of the proposed voting by ALX appointed directors
- Half yearly reporting should be provided to the ALX Audit and Risk Committee in respect of transactions undertaken with or services provided by Macquarie pursuant to standing approvals or below the \$250,000 fee threshold referred to above
- All asset shareholder arrangements with Macquarie, any material changes to them, or any waiver of rights under them should be approved by the independent directors. Independent legal advice should be sought in respect of these arrangements, if required
- Any changes to the management arrangements with the ALX Manager should be approved by the independent directors
- Non public information sharing by the ALX Manager with other Macquarie entities should be on the basis of a legitimate need for them to have the information, be subject to confidentiality and window trading restrictions and not be used to the detriment of ALX. Care should be taken to ensure that if non public information is disclosed to another Macquarie listed entity, that entity is not obliged to disclose the information publicly due to continuous disclosure obligations
- Under the MQA Management Agreements, Macquarie has no obligation to provide MQA with investment opportunities.

Managing Conflicts Policy

Responsibility

The ALX CEO will have primary responsibility for ensuring compliance by the ALX staff with this policy.

The ALX Compliance Manager is responsible for monitoring compliance with this policy and ensuring that ALX staff understand the nature of the conflicts that can arise when they are performing duties for ALX and how they should be dealt with.

Any breaches of this policy should be reported in the first instance to the ALX Compliance Manager. The Compliance Manager will determine whether any notification to the ALX CEO, Chairman of the relevant Nomination and Governance Committee or the Committees themselves is necessary immediately. In any event any breaches are to be reported to the next scheduled meeting of the Committees.

Review

On an annual basis this policy will be reviewed and if appropriate updated by the Nomination and Governance Committee and submitted to the ALX boards for approval.

Contacts

The ALX Legal Manager and the ALX Compliance Manager should be contacted for any assistance or guidance in respect of the matters covered by this policy.