



# Atlas Arteria Annual General Meeting

17 April 2019

**Notice of 2019 Annual General Meeting and Explanatory Notes**

Atlas Arteria Limited (ACN 141 075 201)

**Notice of 2019 Annual General Meeting and Explanatory Notes**

Atlas Arteria International Limited (Registration no. 43828)

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.

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# General Information

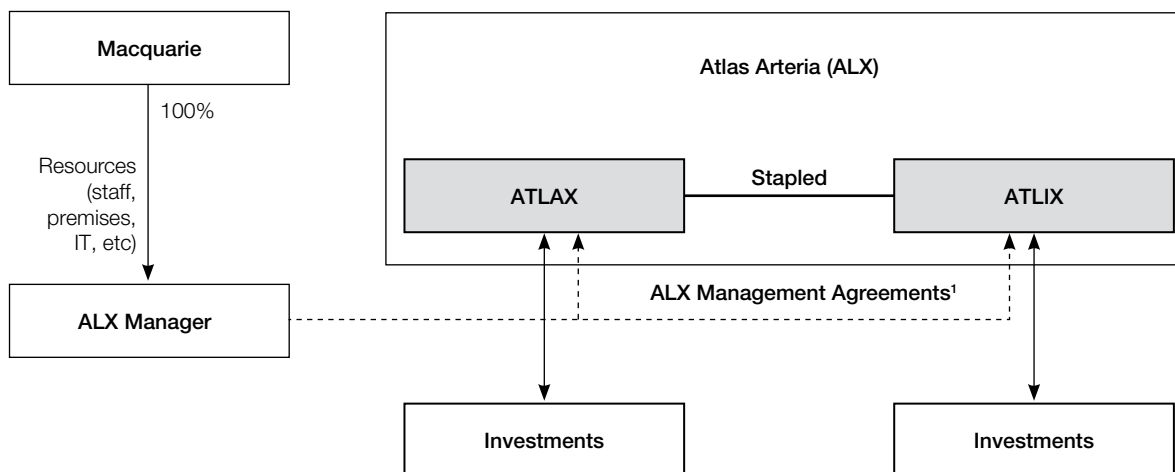
## Why two meetings?

As shown in the diagrams below, Atlas Arteria (ALX) 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. The shares of ATLAX and ATLIX are stapled together, are quoted jointly on the ASX and each stapled unit is referred to in this document as an ALX Security. The individual shares cannot be traded separately. However, it is still necessary for ATLAX and ATLIX to hold separate shareholder meetings from time to time.

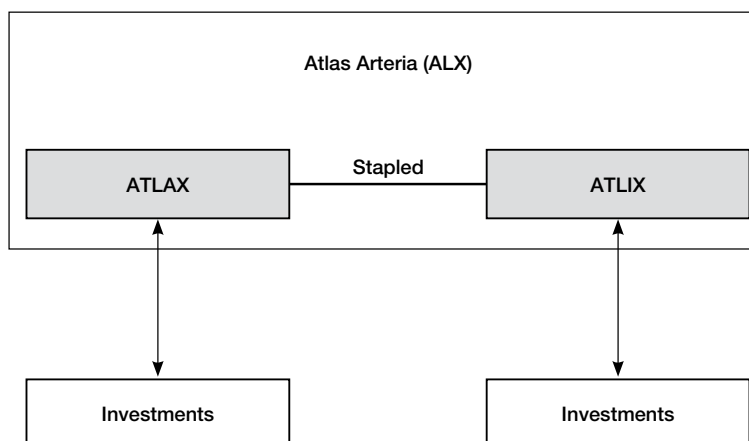
For this reason, there are two separate notices of meeting in this booklet – one relating to the ATLAX 2019 Annual General Meeting (the ATLAX AGM) and one relating to the ATLIX 2019 Annual General Meeting (the ATLIX AGM and together with the ATLAX AGM, the AGMs). The AGMs will be held together in the same place and on the same day.

When you are reading through the rest of the booklet, it might be useful to refer to this diagram to help you understand the relationships between the entities.

### Pre-Internalisation



### Post-Internalisation



<sup>1</sup> The ALX Management Agreements will terminate no later than 15 May 2019, as approved by Shareholders on 15 May 2018

## Meeting Location

The AGMs will commence at 10.00am Sydney time on 17 April 2019 in The Gold Melting Room, at **The Mint, 10 Macquarie Street, Sydney NSW 2000**. Please refer to the below map to locate The Gold Melting Room.



## Meeting Procedure

The AGMs will be conducted contemporaneously, subject to the discretion of the Chairmen to adjourn or reconvene either of the ATLAX AGM or ATLIX AGM. Each resolution at each of the ATLAX AGM and ATLIX AGM will be voted on separately.

## How to vote

### Voting in person

If you are proposing to attend the AGMs and vote, there is no need for you to take any further action at this time.

### Voting by corporate representative

Corporate Shareholders can complete a "Certificate of Appointment of Representative" to enable a person to attend on their behalf.

A form of this certificate may be obtained from the ALX registry, Computershare Investor Services Pty Limited, by calling the toll free number 1800 267 108, or if calling from outside Australia +61 3 9415 4053.

### Voting by proxy

If you are not attending the AGMs and wish to vote by proxy you must complete and lodge the enclosed Proxy Form.

**More information about how to vote and lodge proxies can be found on pages 22-23 and on the Proxy Form.**

### Documents included in this mailing:

- Introductory letter;
- General information;
- ATLAX Notice of 2019 Annual General Meeting;
- ATLIX Notice of 2019 Annual General Meeting;
- Explanatory notes on ALX Notices of Annual General Meeting;
- a Proxy Form; and
- a reply-paid envelope.

### Further general queries about the AGMs and voting arrangements:

ALX Investor Relations Line  
 In Australia: 1800 621 694  
 Outside Australia: +61 2 8232 7455  
 Monday to Friday between 9.00am and 6.00pm (Sydney time) or ALX@macquarie.com

# Notice of 2019 Annual General Meeting for Atlas Arteria Limited (ACN 141 075 201)

NOTICE IS GIVEN that the 2019 Annual General Meeting of Atlas Arteria Limited (ACN 141 075 201) (ATLAX) will be held on 17 April 2019 at 10.00am Sydney time in The Gold Melting Room, at The Mint, 10 Macquarie Street, Sydney NSW 2000 in conjunction with the 2019 Annual General Meeting of Atlas Arteria International Limited, to conduct the following business:

## Ordinary Business

### Item 1 – Financial Accounts and Reports

To receive and consider the Financial Report of ATLAX and the Directors' and Auditor's Reports, for the financial year ended 31 December 2018.

### Item 2 – Election of Directors

#### (a) Election of David Bartholomew

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*"That David Bartholomew be elected as a Director of ATLAX."*

#### (b) Election of Jean-Georges Malcor

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*"That Jean-Georges Malcor be elected as a Director of ATLAX."*

### Item 3 – Adoption of Remuneration Report

To consider, and if thought fit, pass the following resolution as a non-binding and advisory ordinary resolution in accordance with section 250R of the Corporations Act:

*"That ATLAX adopt the Remuneration Report included in the ALX Financial Report for the financial year ended 31 December 2018."*

## Special Business

### Item 4 – Approval of grant of Performance Rights to Graeme Bevans under ALX's Long Term Incentive Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"The grant of Performance Rights to Graeme Bevans, under ALX's Long Term Incentive Plan, and the acquisition accordingly by Mr Bevans of Performance Rights and, to the extent some or all of those Performance Rights should vest, of ordinary ALX Securities, as described in the Explanatory Notes to this Notice of 2019 Annual General Meeting, be approved for all purposes, including for the purpose of ASX Listing Rule 10.14."*

### Item 5 – Approval of grant of Restricted Securities to Graeme Bevans under ALX's Short Term Incentive Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"The grant of Restricted Securities to Graeme Bevans, under ALX's Short Term Incentive Plan, and the acquisition accordingly by Mr Bevans of Restricted Securities, as described in the Explanatory Notes to this Notice of 2019 Annual General Meeting, be approved for all purposes, including for the purpose of ASX Listing Rule 10.14."*

### Item 6 – Approval to increase aggregate fee pool for Non-Executive Directors

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That for the purposes of ASX Listing Rule 10.17, ATLAX's Constitution and for all other purposes, the aggregate pool from which fees may be paid to Non-Executive Directors be increased from A\$1,000,000 to A\$1,100,000 per annum (an increase of A\$100,000), with effect from and including 1 January 2019."*

# Notice of 2019 Annual General Meeting for Atlas Arteria Limited (ACN 141 075 201)

## continued

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### Item 7 – Amendments to ATLAX constitution

To consider and, if thought fit, pass the following resolution as a special resolution:

*“That, subject to the passing of the resolution in Item 5 in the ATLI Notice of 2019 Annual General Meeting, the Constitution of ATLAX be amended in the manner set out in the Explanatory Notes to this Notice of 2019 Annual General Meeting.”*

### Voting exclusions

#### Item 3

A vote must not be cast (in any capacity) on the resolution in Item 3 by or on behalf of ATLAX’s key management personnel (including the Directors) (ATLAX KMP), details of whose remuneration are included in the Remuneration Report, or their closely related parties, whether as a shareholder or as a proxy.

However, a vote may be cast on the resolution in Item 3 by an ATLAX KMP, or a closely related party of an ATLAX KMP, if:

- the vote is cast as a proxy appointed in writing that specifies how the proxy is to vote on the resolution in Item 3 and the vote is cast in accordance with the directions on the proxy form; and
- the vote is not cast on behalf of an ATLAX KMP or a closely related party of an ATLAX KMP.

If you appoint the Chairman of the ATLAX AGM as your proxy or the Chairman of the ATLAX AGM is appointed as your proxy by default, and you do not direct your proxy how to vote on the resolution in Item 3 on the Proxy Form, you expressly authorise the Chairman of the ATLAX AGM to exercise the proxy even if the resolution in Item 3 is connected directly or indirectly with the remuneration of a member of the ATLAX KMP, which includes the Chairman of the ATLAX AGM.

#### Item 4

A vote must not be cast on the resolution in Item 4 by or on behalf of:

- Graeme Bevans or any of his associates;
- a Director of ATLAX who is eligible to participate in ALX’s Long Term Incentive Plan or any of their associates; or
- an ATLAX KMP, or their closely related parties acting as proxy, if their appointment does not specify the way the proxy is to vote on the resolution.

However, a vote may be cast on the resolution in Item 4 by the persons described above, if the vote is cast as a proxy appointed in writing that specifies how the proxy is to vote on the resolution in Item 4 and the vote is cast in accordance with the directions on the proxy form.

If you appoint the Chairman of the ATLAX AGM as your proxy or the Chairman of the ATLAX AGM is appointed as your proxy by default, and you do not direct your proxy how to vote on the resolution in Item 4 on the Proxy Form, you expressly authorise the Chairman of the ATLAX AGM to exercise the proxy even if the resolution in Item 4 is connected directly or indirectly with the remuneration of a Director of ATLAX or a member of ATLAX’s KMP, which includes the Chairman of the ATLAX AGM.

#### Item 5

A vote must not be cast on the resolution in Item 5 by or on behalf of:

- Graeme Bevans or any of his associates;
- a Director of ATLAX who is eligible to participate in ALX’s Short Term Incentive Plan or any of their associates; or
- an ATLAX KMP, or their closely related parties acting as proxy, if their appointment does not specify the way the proxy is to vote on the resolution.

# Notice of 2019 Annual General Meeting for Atlas Arteria Limited (ACN 141 075 201)

## continued

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However, a vote may be cast on the resolution in Item 5 by the persons described above, if the vote is cast as a proxy appointed in writing that specifies how the proxy is to vote on the resolution in Item 5 and the vote is cast in accordance with the directions on the proxy form.

If you appoint the Chairman of the ATLAX AGM as your proxy or the Chairman of the ATLAX AGM is appointed as your proxy by default, and you do not direct your proxy how to vote on the resolution in Item 5 on the Proxy Form, you expressly authorise the Chairman of the ATLAX AGM to exercise the proxy even if the resolution in Item 5 is connected directly or indirectly with the remuneration of a Director of ATLAX or a member of ATALX's KMP, which includes the Chairman of the ATLAX AGM.

### Item 6

A vote must not be cast (in any capacity) on the resolution in Item 6 by or on behalf of:

- a Director of ATLAX or any of their associates; or
- an ATLAX KMP, or their closely related parties acting as a proxy, if their appointment does not specify the way the proxy is to vote on the resolution.

However, a vote may be cast on the resolution in Item 6 by the persons described above, if the vote is cast as a proxy appointed in writing that specifies how the proxy is to vote on the resolution in Item 6 and the vote is cast in accordance with the directions on the proxy form.

If you appoint the Chairman of the ATLAX AGM as your proxy or the Chairman of the ATLAX AGM is appointed as your proxy by default, and you do not direct your proxy how to vote on the resolution in Item 6 on the Proxy Form, you expressly authorise the Chairman of the ATLAX AGM to exercise the proxy even if the resolution in Item 6 is connected directly or indirectly with the remuneration of a member of the ATLAX KMP, which includes the Chairman of the ATLAX AGM.

### Chairman's voting intention

The Chairman of the ATLAX AGM intends to vote undirected proxies in favour of each item of business.

**BY ORDER OF THE BOARD OF  
ATLAS ARTERIA LIMITED**



**Lyndal Coates**  
Company Secretary  
15 March 2019

Level 7  
50 Martin Place  
Sydney NSW 2000  
Australia

# Notice of 2019 Annual General Meeting for Atlas Arteria International Limited

An exempted mutual fund company incorporated in Bermuda with registration number 43828.

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NOTICE IS GIVEN that the 2019 Annual General Meeting of Atlas Arteria International Limited (ATLIX) will be held on 17 April 2019 at 10.00am Sydney time in The Gold Melting Room, at The Mint, 10 Macquarie Street, Sydney NSW 2000 in conjunction with the 2019 Annual General Meeting of Atlas Arteria Limited, to conduct the following business:

## Ordinary Business

### Item 1 – Audited Financial Statements

To note the laying of the 31 December 2018 audited financial statements of ATLIX before the meeting.

### Item 2 – Re-appointment of PricewaterhouseCoopers as Auditor

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*“That PricewaterhouseCoopers be re-appointed as auditor of ATLIX until the conclusion of the next Annual General Meeting and that the Directors be authorised to determine their remuneration.”*

### Item 3 – Re-election of Directors

#### (a) Re-election of Director – James Keyes

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*“That James Keyes be re-elected as a Director of ATLIX.”*

#### (b) Re-election of Director – Nora Scheinkestel

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*“That Nora Scheinkestel be re-elected as a Director of ATLIX.”*

## Special Business

### Item 4 – Approval to increase aggregate fee pool for Non-Executive Directors

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 10.17, ATLIX’s Bye-Laws and for all other purposes, the aggregate pool from which fees may be paid to Non-Executive Directors be increased from US\$500,000 to US\$700,000 per annum (an increase of US\$200,000), with effect from and including 1 January 2019.”*

### Item 5 – Amendments to ATLIX Bye-Laws

To consider and, if thought fit, pass the following resolution as a special resolution:

*“That, subject to the passing of the resolution in Item 7 in the ATLIX Notice of 2019 Annual General Meeting, the Bye-Laws of ATLIX be amended in the manner set out in the Explanatory Notes to this Notice of 2019 Annual General Meeting.”*

# Notice of 2019 Annual General Meeting for Atlas Arteria International Limited

An exempted mutual fund company incorporated in Bermuda with registration number 43828.

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## Voting exclusions

### Item 4

A vote must not be cast (in any capacity) on the resolution in Item 4 by or on behalf of:

- a Director of ATLIX or any of their associates; or
- ATLIX's key management personnel (including the Directors) (ATLIX KMP), or their closely related parties acting as a proxy, if their appointment does not specify the way the proxy is to vote on the resolution.

However, a vote may be cast on the resolution in Item 4 by the persons described above, if the vote is cast as a proxy appointed in writing that specifies how the proxy is to vote on the resolution in Item 4 and the vote is cast in accordance with the directions on the proxy form.

If you appoint the Chairman of the ATLIX AGM as your proxy or the Chairman of the ATLIX AGM is appointed as your proxy by default, and you do not direct your proxy how to vote on the resolution in Item 4 on the Proxy Form, you expressly authorise the Chairman of the ATLIX AGM to exercise the proxy even if the resolution in Item 4 is connected directly or indirectly with the remuneration of a member of the ATLIX KMP, which includes the Chairman of the ATLIX AGM.

## Chairman's voting intention

The Chairman of the ATLIX AGM intends to vote undirected proxies in favour of each item of business.

**BY ORDER OF THE BOARD OF  
ATLAS ARTERIA INTERNATIONAL LIMITED**



**Andrew Davidson**  
Company Secretary  
15 March 2019

C/- MUFG Fund Services (Bermuda) Limited  
The Belvedere Building,  
69 Pitts Bay Road Pembroke HM08,  
Bermuda



# Explanatory Notes on the Atlas Arteria Notices of Meeting

## A. 2019 Annual General Meeting for Atlas Arteria Limited

### ATLAX Item 1 – Financial Accounts and Reports

As required by the Corporations Act, the Financial Report, Directors' Report and Auditor's Report of ALX for the most recent financial period will be laid before the ATLAX AGM. Investors will have an opportunity to ask questions about these documents and ALX's operations generally but there is no requirement for a formal resolution to approve these documents.

A Shareholder who is entitled to vote at the ATLAX AGM may submit written questions to ATLAX's auditor under section 250PA of the Corporations Act if the question is relevant to the content of the ATLAX Auditor's Report or the conduct of the audit of the ATLAX Financial Report. Any such Shareholder wanting to do so must submit the question to the ALX registry, Computershare Investor Services Pty Limited at the address or email address shown in the Corporate Directory no later than the fifth business day before the ATLAX AGM (that is, by 10 April 2019).

The auditor will also be available at the ATLAX AGM to answer Shareholder questions on the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by ATLAX in relation to the preparation of the Financial Report and the independence of the auditor in relation to the conduct of the audit.

*No Shareholder vote is required on this item.*

### ATLAX Item 2 – Election of Directors

***These are ordinary resolutions and, to be passed, must be passed by more than 50% of the votes cast by Shareholders present (in person, by proxy or by representative) and entitled to vote on each resolution.***

Section 11.7 of the ATLAX Constitution provides that a Director who is appointed to fill a casual vacancy or as an addition to the existing Directors holds office until the conclusion of the next annual general meeting of ATLAX but is eligible for election at that meeting.

### **David Bartholomew** BEd (Hons), MBA

David Bartholomew was appointed to the Board of ATLAX, as an independent director, on 1 October 2018 and accordingly offers himself for election to the Board of ATLAX. David Bartholomew is also the Chairman of the People and Remuneration Committee of ATLAX.

David is an experienced director in the infrastructure and utilities sector. He currently serves on the boards of Endeavour Energy (the New South Wales electricity distributor), Power & Water Corporation (the multi-utility owned by the Northern Territory Government) and the Saudi Arabia Industrial Investment Company, Dussur. He is also a director of The Helmsman Project, a not-for-profit organisation that provides coaching and development programs for year 9 students, predominantly in western Sydney.

In previous executive roles, David was appointed to the boards of investee companies in Australia and the USA with interests in electricity and gas distribution and transmission, electricity generation, and forestry. David also has toll road sector experience, having served on the boards of Interlink Roads (Sydney's M5 Motorway) and Statewide Roads (Sydney's M4 Motorway) representing investors managed by Hastings Funds Management.

David was Chief Executive Officer of DUET Group, a former ASX100 listed utilities and energy company and was responsible for management of DUET's successful transition from external management by AMP Capital and Macquarie Capital to a fully internalised management and governance structure. He oversaw the growth of DUET Group from a market capitalisation of around A\$1.2 billion to over A\$7.48 billion.

David previously served on the board of Vector Limited (NZX: VCT) and his previous executive experience includes Hastings Funds Management, Lend Lease, The Boston Consulting Group and BHP Minerals.

*The Directors of ATLAX (except David Bartholomew) recommend that Shareholders vote in favour of David Bartholomew's election as an independent director.*

# Explanatory Notes on the Atlas Arteria Notices of Meeting continued

**Jean-Georges Malcor** *Ecole Centrale de Paris (Eng), MSc (Stanford)*

Jean-Georges Malcor was appointed to the Board of ATLAX, as an independent director, on 1 November 2018 and accordingly offers himself for election to the Board of ATLAX.

Jean-Georges Malcor completed eight years as Chief Executive Officer at CGG (EPA: CGG), a Euronext listed French geoscience company providing services primarily to customers in the global oil and gas industry. Prior to CGG, he spent 25 years at Thales Group (EPA:HO) in France and Australia.

He has a long track record in large international projects and developments all around the world in sectors facing major technology and market disruptions. He has developed a high level of expertise in areas such as organisation, corporate governance, risk mitigation, strategy, technology, financing and restructuring.

Jean-Georges currently serves as a non-executive director on the board and audit and risk committee of STMicroelectronics (NYSE: STM), and as a non-executive director on the boards of ORTEC, a construction and engineering company and Fives, a global industrial engineering group. Jean-Georges is also a Chevalier (Knight) of the French Légion d'honneur Order and National Order of Merit.

*The Directors of ATLAX (except Jean-Georges Malcor) recommend that Shareholders vote in favour of Jean-Georges Malcor's election as an independent director.*

## **ATLAX Item 3 – Adoption of Remuneration Report**

***This is a non-binding and advisory ordinary resolution.***

The Corporations Act requires that the remuneration report for the financial year ended 31 December 2018 (Remuneration Report) be adopted at the ATLAX AGM by resolution. This resolution is advisory only and does not bind ATLAX but the Directors will have regard to the views expressed by the Shareholders.

The Remuneration Report appears in the ALX 2018 Financial Report and is also available on the ALX website at [www.atlasarteria.com](http://www.atlasarteria.com). Although ATLIX and ALX as a whole are not required to prepare a

remuneration report and only ATLAX shareholders participate in the non-binding advisory vote, given the ALX stapled structure, a full ALX Remuneration Report is prepared, which sets out details of the existing management agreements and Directors' fees paid or payable by ALX as a whole.

The contents of the Remuneration Report include (amongst other things):

- a description of ALX as an externally managed vehicle and details of the base management and performance fees payable to the ALX Manager pursuant to the ALX Management Agreements;
- details of the remuneration provided to the non-executive Directors of ATLAX and ATLIX for the financial year ended 31 December 2018;
- voluntary disclosure of the remuneration of the ALX Manager appointed CEO, including how he is incentivised and how his interests are aligned with ALX; and
- voluntary disclosure of the remuneration of the CEO elect and the CFO elect, including how they are incentivised and how their interests are aligned with ALX.

During the discussion on this item of business, Shareholders will have reasonable opportunities to ask questions about, and make comments on, the Remuneration Report.

Even though this resolution is advisory only and does not bind the Directors of ATLAX, under the Corporations Act if at least 25% of the votes cast on the resolution are voted against adoption of the relevant remuneration report at each of the 2019 and the 2020 ATLAX Annual General Meetings, ATLAX will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting at which all Directors of ATLAX will cease to hold office and stand for re-election (Spill Resolution). In these circumstances, the Spill Resolution would need to be considered at the 2020 ATLAX Annual General Meeting.

The Directors of ATLAX recommend that Shareholders vote in favour of adopting the Remuneration Report, noting that each Director of ATLAX has a personal interest in their own remuneration, as described in the Remuneration Report.

# Explanatory Notes on the Atlas Arteria Notices of Meeting continued

## **ATLAX Items 4 and 5 – Resolutions to approve grant of Performance Rights to Graeme Bevans under ALX's Long Term Incentive Plan and Restricted Securities under ALX's Short Term Incentive Plan**

*These are ordinary resolutions and, to be passed, must be passed by more than 50% of the votes cast by Shareholders present (in person, by proxy or by representative) and entitled to vote on each resolution.*

### **Background to ATLAX Items 4 and 5**

#### **Overview of proposed grant of Performance Rights and Restricted Securities**

On 23 April 2018, ALX announced the appointment of Graeme Bevans as Chief Executive Officer (CEO) elect, effective 1 May 2018. Graeme Bevans will be appointed as CEO of ALX once ALX's current management arrangements with ALX Manager are terminated (**Internalisation**), which will occur no later than 15 May 2019 as approved by Shareholders on 15 May 2018. It is also expected that Graeme Bevans will be appointed as the Managing Director of ATLAX at or around this time.

As outlined in the Remuneration Report, as part of Graeme Bevans' remuneration package it is proposed that he participate in:

- ALX's Long Term Incentive Plans, which will grant performance rights to acquire fully paid ALX Securities (**Performance Rights**); and
- ALX's Short Term Incentive Plans, which will grant restricted ALX Securities to the extent that the defined performance targets are achieved over the relevant performance period (**Restricted Securities**).

Shareholder approval is being sought under ASX Listing Rule 10.14 so that Graeme Bevans can be granted:

- Performance Rights and, should some or all of those Performance Rights vest, be allocated ALX Securities under ALX's Long Term Incentive Plan; and
- Restricted Securities under ALX's Short Term Incentive Plan to the extent that the defined performance targets are achieved over the relevant performance period,

in respect of each of FY2018 and FY2019.

ALX's Long Term Incentive Plan and ALX's Short Term Incentive Plan both operate under the rules of the Atlas Arteria Equity Plan.

#### **Proposed grant of Performance Rights**

Subject to shareholder approval, it is proposed that Graeme Bevans will be granted Performance Rights on the basis described below.

The maximum number of Performance Rights to be granted to Graeme Bevans in respect of FY2018 (**2018 Performance Rights**) is 119,339. That number was determined by dividing \$735,343 (being 100% of Graeme Bevans' annual fixed remuneration for the 2018 performance year, pro-rated for the portion of the year that Graeme Bevans was employed) by \$6.16178 (being the VWAP of ALX Securities traded on ASX over a ten trading day period immediately following the 2018 Annual General Meeting, which was held on 15 May 2018).

The maximum number of Performance Rights to be granted to Graeme Bevans in respect of FY2019 (**2019 Performance Rights**) will be determined by dividing \$1,100,000 (being 100% of Graeme Bevans' annual fixed remuneration for the 2019 performance year) by the VWAP of ALX Securities traded on ASX over a ten trading day period immediately following the announcement of results for FY2018.

The 2018 Performance Rights and the 2019 Performance Rights (together, the Performance Rights) will be subject to the conditions described below.

#### **Vesting of Performance Rights**

For the 2018 Performance Rights, the performance period starts on 1 May 2018 and ends on 31 December 2020. For the 2019 Performance Rights, the performance period starts on 1 January 2019 and ends on 31 December 2021.

In order to determine whether a Performance Right will vest, ALX's TSR performance is measured against a comparator group selected from local and global companies, operating in comparable industries, with asset size, market capitalisation, jurisdiction of assets and operational control, in relevant ranges. The comparator group is set out in the Remuneration Report.

Whether or not a Performance Right will vest and, if so, what percentage of those Performance Rights is

# Explanatory Notes on the Atlas Arteria Notices of Meeting continued

assessed on a sliding scale, with vesting determined as follows:

<b>ALX's TSR performance</b>	<b>% vesting</b>
Below the 51st percentile	0%
At the 51st percentile	50%
Between the 51st percentile and 75th percentile	Pro rata between 50% and 100%
At or above the 75th percentile	100%

The ATLAX Board retains discretion to adjust the relative TSR measure in exceptional circumstances to ensure that Graeme Bevans is neither advantaged nor disadvantaged by matters outside management's control.

### **Performance Rights**

Subject to the rules of ALX's Long Term Incentive Plan, each Performance Right that vests entitles Graeme Bevans to one fully paid ALX Security upon vesting.

No amount is payable by Graeme Bevans in respect of the award or the exercise of Performance Rights.

Distribution equivalents will be payable (via a grant of ALX Securities or a cash payment, at the ATLAX Board's discretion) on Performance Rights that have vested reflecting the value of any distributions paid during the performance period.

### **Exercise and lapse of Performance Rights**

If a Performance Right vests, it will automatically be exercised and Graeme Bevans will be provided with a fully paid ALX Security. Upon vesting, and subject to any applicable restriction imposed by law or the ALX Securities (Windows) Trading Policy, ALX will allot or procure the transfer of the relevant number of ALX Securities for the vested Performance Rights. If a Performance Right does not vest, it will lapse.

Subject to the ALX Securities (Windows) Trading Policy, and provided Graeme Bevans has complied with the ALX Minimum Securityholding Policy, he will be entitled to dispose of or deal with any ALX Securities received on vesting of Performance Rights.

The ATLAX Board has the power to establish, implement and operate a trust, and delegate authority to a trustee, for the purposes of delivering and holding securities on behalf of Graeme Bevans

and other participants in the ALX Long Term Incentive Plan.

Under Graeme Bevans' Executive Services Agreement, he is entitled to participate in the Company's Long Term Incentive Plan on the basis described in this Notice of Meeting. In the event that Shareholders do not approve the grant of the Performance Rights, the ATLAX Board proposes to make a cash payment to Graeme Bevans equal to the cash equivalent value of any vested Performance Rights in lieu of an allocation of ALX Securities in accordance with Graeme Bevans' terms of employment. The cash equivalent value is a cash amount equal to the gross value of the ALX Securities that would have been allocated if the ATLAX Board chose to settle the award in ALX Securities.

### **Proposed grant of Restricted Securities**

Subject to shareholder approval, it is proposed that Graeme Bevans will be granted Restricted Securities on the basis described below.

The ALX Short Term Incentive (STI) Plan entitles Graeme Bevans to receive an STI opportunity which is subject to the achievement of defined performance targets over the relevant performance period, which award is delivered 50% in cash and 50% in Restricted Securities.

The maximum number of Restricted Securities which may be granted to Graeme Bevans in respect of the period prior to Internalisation (**Pre-Internalisation Restricted Securities**) will be determined by dividing \$858,904 (being 50% of Graeme Bevans' maximum STI opportunity, which is 150% of his fixed remuneration for the 2018 performance year, adjusted to reflect the period from commencement of employment to Internalisation and assuming that Internalisation will occur on 15 May 2019 being the latest possible date) by the VWAP of ALX Securities traded on ASX over a ten trading day period immediately following the announcement of results for FY2018.

The maximum number of Restricted Securities which may be granted to Graeme Bevans in respect of the period from Internalisation to the end of FY2019 (**Post-Internalisation Restricted Securities**) will be determined by dividing \$655,479 (being 50% of Graeme Bevans' maximum STI opportunity, which is 150% of his annual fixed remuneration for the 2019 performance year, pro-rated for the proportion of

# Explanatory Notes on the Atlas Arteria Notices of Meeting continued

the year following Internalisation and assuming that Internalisation will occur on 16 March 2019 being the date after this Notice of 2019 Annual General Meeting and the earliest date on which Internalisation could theoretically occur) by the VWAP of ALX Securities traded on ASX over a ten trading day period immediately following the announcement of results for FY2019.

The Pre-Internalisation Restricted Securities and the Post-Internalisation Restricted Securities (together, the **Restricted Securities**) will be subject to the conditions described below.

## **Performance Periods and Hurdles**

Performance under the ALX Short Term Incentive Plan will typically be measured over a one year performance period, from 1 January to 31 December. However, as a result of Graeme Bevans commencing his employment with ALX as the CEO elect during FY2018 and because of the different nature of his duties prior to Internalisation, the initial performance period is 1 May 2018 (being the date Graeme Bevans commenced his employment with ALX) to the date of Internalisation (**Pre-Internalisation Performance Period**). The second performance period will be the date following Internalisation to 31 December 2019 (**Post-Internalisation Performance Period**).

Graeme Bevans' outcome, as a percentage of his maximum STI opportunity, will be tested following the end of the relevant performance period and will be determined based on his performance against the following performance measures:

- for the Pre-Internalisation Performance Period: transition activities (30% of the grant), transition budget (25% of the grant), stakeholder engagement (15% of the grant) and strategic (30% of the grant); and
- for the Post-Internalisation Performance Period: 70% of the grant will be subject to financial measures (being proportional adjusted EBITDA, distributions per security, cashflow available for distribution and corporate operational expenditure) and 30% of the grant will be subject to key performance indicators relating to culture, behaviours and specific strategic outcomes agreed with the ALX Boards.

Any outcome will be delivered 50% in cash and 50% in Restricted Securities.

## **Restricted Securities**

A Restricted Security is an ALX Security which is subject to a restriction on its transfer or disposal for a 12 month period following the conclusion of the applicable performance period. During the applicable restriction period Graeme Bevans is prevented from trading or disposing of the Restricted Securities. However, Graeme Bevans will enjoy the benefits of ALX Security ownership in respect of any Restricted Securities (including the ability to receive dividends, distributions and voting rights).

At the end of the restriction period, and subject to Graeme Bevans remaining employed by ALX, any Restricted Securities will vest, except in certain circumstances. At this time, subject to the ALX Securities (Windows) Trading Policy, and provided Graeme Bevans has complied with the ALX Minimum Securityholding Policy, he will be entitled to dispose of or deal with his ALX Securities.

In the event that Shareholders do not approve the grant of the Restricted Securities, the ATLAX Board retains discretion to make a cash payment to Graeme Bevans equal to the cash equivalent value of any Restricted Securities in lieu of an allocation of ALX Securities. The cash equivalent value is a cash amount equal to the gross value of the ALX Securities that would have been allocated if the ATLAX Board chose to settle the award in ALX Securities.

## **Additional Information for ATLAX Items 4 and 5**

### **Ceasing employment**

Unvested Performance Rights will lapse and any Restricted Securities that have been allocated will be forfeited if Graeme Bevans ceases to be employed because of termination for cause (including gross misconduct) or as a result of him resigning.

If Graeme Bevans ceases employment for any other reason, including as a result of his death, he will retain:

- the Restricted Securities that have been allocated, which will remain subject to the original applicable restriction period; and
- a pro-rated number of Performance Rights in proportion to the performance period that has elapsed at the time he ceases employment. Whether those Performance Rights will vest will depend upon an assessment of the performance



# Explanatory Notes on the Atlas Arteria Notices of Meeting continued

conditions at the end of the performance period (subject to the ATLAX Board's discretion to determine another treatment).

If it considers it appropriate, the ATLAX Board has discretion to determine a different treatment of Restricted Securities and vested or unvested Performance Rights or the number of unvested Performance Rights that will vest or lapse or the number of Restricted Securities that will be forfeited if Graeme Bevans ceases to be an employee.

## **Malus**

The ATLAX Board has discretion to clawback (i.e. lapse or forfeit) a number (or all) unvested Performance Rights or Restricted Securities if in the ATLAX Board's discretion one of the following circumstances has or is likely to occur:

- fraud, dishonest or gross misconduct in relation to the affairs of ALX;
- material non-compliance with any financial report requirement of ALX;
- breach of any obligation to ALX, including compliance with any applicable policy; and
- if the role, conduct, capability or performance of Graeme Bevans justifies the change to his Performance Rights or Restricted Securities.

## **Change of control**

If as a result of any event or transaction, the ATLAX Board considers that a person or entity will become entitled to exercise control of the ALX Securities (or upon other events specified in the rules of the Atlas Arteria Equity Plan, including where the ATLAX Board recommends a takeover bid), the ATLAX Board has discretion to permit any unvested Performance Rights or Restricted Securities to vest in full or in part, remain subject to applicable performance conditions or periods, to vary or substitute the conditions or periods, to convert them to ALX Securities on a particular date, to require them to be settled by way of cash or providing securities other than ALX Securities, or have any disposal restrictions lifted.

If the ATLAX Board does not exercise its discretion as described above, upon a Change of Control:

- a pro-rata number of Graeme Bevans' unvested Performance Rights (based on the proportion of

the performance period that has elapsed at the time of the Change of Control) will vest to the extent that the conditions have been satisfied (or are estimated to have been satisfied) at the time of the event; and

- Restricted Securities will vest in full on the date of the relevant event.

A Change of Control includes an event or transaction where a person or entity becomes entitled to more than 50% of the ALX Securities or to all or substantially all of ALX's business or assets, or where a takeover bid becomes unconditional or a scheme of arrangement is approved by shareholders.

If ALX disposes of a business or asset designated by the ATLAX Board as material, the ATLAX Board has the discretion to amend the terms of the awards under the ALX Long Term Incentive Plan and the ALX Short Term Incentive Plan, which may include varying any applicable conditions to take into account the divestment of the business or assets (if applicable) or deeming the participant to be an employee of ALX for a specific period.

## **Other Information**

In accordance with the ASX Listing Rules, the following additional information is provided concerning the Performance Rights and Restricted Securities to be awarded to Graeme Bevans:

- no Performance Rights or Restricted Securities have yet been issued under the ALX Long Term Incentive Plan or the ALX Short Term Incentive Plan;
- no Directors are entitled to participate in the ALX Long Term Incentive Plan or the ALX Short Term Incentive Plan, other than Graeme Bevans (once he is appointed to the ATLAX Board);
- there is no loan scheme in relation to the ALX Long Term Incentive Plan (or Performance Rights awarded under it) or the ALX Short Term Incentive Plan (or Restricted Securities awarded under it);
- any Performance Rights to be granted to Graeme Bevans will be granted as soon as practicable after the meeting, and in any event no later than 16 April 2020; and
- any Restricted Securities to be granted to Graeme Bevans will be granted as soon as

# Explanatory Notes on the Atlas Arteria Notices of Meeting continued

practicable after announcement of results for FY2019, and in any event no later than 16 April 2020.

*The Directors of ATLAX recommend that Shareholders vote in favour of Items 4 and 5.*

## **ATLAX Item 6 – Approval to increase aggregate fee pool for Non-Executive Directors**

***This is an ordinary resolution and, to be passed, must be passed by more than 50% of the votes cast by Shareholders present (in person, by proxy or by representative) and entitled to vote on each resolution.***

### ***Proposal for increase***

It is proposed that the fee pool for Non-Executive Directors be increased from A\$1,000,000 to A\$1,100,000 per annum (an increase of A\$100,000), with effect from and including 1 January 2019.

In accordance with the ASX Listing Rules and the Constitution, ATLAX must not increase the aggregate fee pool for Non-Executive Directors' remuneration without the approval of Shareholders.

### **Reasons for proposed increase**

The reasons for the proposed increase are as follows:

- the current aggregate Non-Executive Director fee pool limit of A\$1,000,000 per annum was set out in the ATLAX constitution upon listing on the ASX in 2010. The ATLAX Board has not sought to increase the total fee pool since listing in 2010;
- in order to attract and retain high calibre Non-Executive Directors, fees are reviewed periodically by the People and Remuneration Committee and set with reference to the market;
- a review of market Non-Executive Director fees was undertaken in FY2018, which included a review of market benchmarking information for companies of a similar size and complexity to ALX (being companies with a 12 month average market capitalisation between 50% to 200% of ALX); and
- this review highlighted that remuneration for ALX's Non-Executive Directors is materially below the median level for companies of similar size and complexity.

The proposed increase to the Non-Executive Director fee pool is sought to:

- maintain market competitiveness to ensure that ATLAX can attract and retain high calibre individuals with the appropriate skills, experience, expertise and diversity as Non-Executive Directors; and
- provide sufficient scope for succession planning and ongoing flexibility.

Based on the information obtained through the FY2018 review of Non-Executive Directors' remuneration, the ATLAX Board considers that the increased fee pool will allow Non-Executive Directors' fees to be positioned close to the market median. The proposed revised Non-Executive Director fees for ATLAX are set out in the Remuneration Report.

No securities have been issued to any Non-Executive Directors of ATLAX under Listing Rules 10.11 or 10.14 with approval at any time in the last three years.

*The Directors of ATLAX recommend that Shareholders vote in favour of Item 6.*

## **ATLAX Item 7 – Amendments to ATLAX Constitution**

***This is a special resolution and, to be passed, must be passed by more than 75% of the votes cast by Shareholders present (in person, by proxy or by representative) and entitled to vote on the resolution.***

### **Reasons for proposed changes to Constitution**

ALX is currently prevented from issuing securities to investors in the United States unless it registers as an "investment company" with the US Securities and Exchange Commission. Registration is an extensive and costly process that would involve ongoing compliance and reporting obligations on ALX.

While ALX does not currently have any plans to issue any additional securities, it may choose to do so in the future. Access to US capital markets may be a material advantage and deliver a better outcome for existing Shareholders, e.g. because it may allow ALX to achieve a better issue price. It would also allow certain existing larger US Shareholders to participate in pro-rata issues, from which they are currently excluded.

# Explanatory Notes on the Atlas Arteria Notices of Meeting continued

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In order to be able to issue securities to investors in the United States without registering as an investment company, ALX would need to ensure that it has no Shareholders who are “US Persons” (within the meaning given in Rule 902 of Regulation S under the U.S. Securities Act of 1933) (“**US Persons**”) that are not “Qualified Purchasers” (within the meaning of Section 2(a)(51) of the US Investment Company Act) (“**Qualified Purchasers**”).

The proposed changes to the ATLAX Constitution restrict persons who are (or who hold securities on behalf of) US Persons who are not Qualified Purchasers from acquiring securities. They also allow, in certain circumstances, for compulsory divestiture of securities where a Shareholder is a US Person but not a Qualified Purchaser.

There is currently only a small number of Shareholders who are US Persons but who are not Qualified Purchasers. The Directors of ATLAX have not made any decision whether to invoke the provisions that would allow for compulsory divestiture at any point but if this resolution is passed will give the matter due consideration. Any such decision could only be made for a proper purpose and if the Directors are satisfied that it is in the best interests of Shareholders as a whole. It would be communicated to the affected US Shareholders well in advance of its implementation.

The immediate objective of the proposed amendment of the ATLAX Constitution is to enable ATLAX to prevent additional US Persons who are not Qualified Purchasers from acquiring securities. To achieve this, the ALX Securities would be “tagged” by ASX such that brokers and other market participants can only arrange transfers of ALX Securities to US Persons who are Qualified Purchasers.

In circumstances where a US Person who is not a Qualified Purchaser acquires ALX securities, or a Shareholder becomes a US Person who is not a Qualified Purchaser, after the date of this Notice of 2019 Annual General Meeting and subject to the resolution being passed, ATLAX would have the right to divest that Shareholder under the powers contained in the proposed amended ATLAX Constitution.

## Proposed changes

The Company seeks approval under section 136(2) of the Corporations Act to amend ATLAX’s Constitution to insert the following as a new article 24:

### 24. Excluded US Persons

#### 24.1 Excluded US Persons

- (a) Each holder of Stapled Securities acknowledges that Stapled Securities are not permitted to be held by or for the account or benefit of any person who is a “US Person” within the meaning given in Rule 902 of Regulation S under the U.S. Securities Act of 1933, as amended (“US Person”) who is not a “Qualified Purchaser” within the meaning given in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended and the rules and regulations of the Securities and Exchange Commission promulgated thereunder (a “QP”).
- (b) Subject to the Corporations Act, at any time the Directors may determine:
  - (i) that a holder of Stapled Securities (or a person who seeks to be registered as a holder of Stapled Securities) is excluded, if it considers that the person is a US Person that is not a QP or holds or will hold Stapled Securities for the account or benefit of any US Person who is not a QP (such person being an “**Excluded US Person**”); and
  - (ii) that some or all of the Stapled Securities held or to be held by the Excluded US Person are excluded (such Stapled Securities being “**Excluded Stapled Securities**”).
- (c) At any time, the Directors may require a holder of Stapled Securities to complete a statutory declaration in relation to whether the holder (or any person on whose account or benefit it holds Stapled Securities) is a US Person who is not a QP, and the number of Stapled Securities affected. The Directors may determine that any holder who does not comply with a request for information under this article 24.1(c) is an Excluded US Person in respect of all Stapled Securities held by that holder or such lesser number of Stapled Securities as the Directors determine.



# Explanatory Notes on the Atlas Arteria Notices of Meeting continued

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- (d) Where the Directors have made a determination under article 24.1(b) or article 24.1(c), the Directors may:
- (i) refuse to register a transfer of Excluded Stapled Securities to the Excluded US Person; or
  - (ii) give the Excluded US Person a notice requiring them to dispose of their Excluded Stapled Securities to any person other than someone who is, or will hold the Stapled Securities for the account or benefit of, a US Person who is not a QP (such person being a **"Permitted Person"**) within a period of not less than 30 Business Days specified in the notice (the **"Transfer Period"**) after which the Excluded Stapled Securities must be transferred to a person nominated by the Board to sell the Excluded Stapled Securities (the **"US Sale Nominee"**).
- (e) Each holder of Stapled Securities who is or becomes an Excluded US Person may transfer their Excluded Stapled Securities to a Permitted Person during the Transfer Period. At the end of the Transfer Period, the Excluded US Person must transfer any remaining Excluded Stapled Securities free of any encumbrances or third party rights to the US Sale Nominee within 3 Business Days after the end of the Transfer Period.
- (f) The Company must ensure that the US Sale Nominee:
- (i) sells any Excluded Stapled Securities transferred to it under article 24.1(e) for cash; and
  - (ii) pays the sale proceeds (net of transaction costs, including brokerage, stamp duty and other taxes) for the Excluded Stapled Securities to the Excluded US Person as soon as practicable after completion of the sale.
- (g) The Company may register the transfer of Excluded Stapled Securities to the US Sale Nominee and to the buyer from the US Sale Nominee in the Register without having received a transfer or certificate (if any) for Excluded Stapled Securities. The relevant transfers take effect from registration in the Register.
- (h) Each holder of Stapled Securities irrevocably appoints the Company as its agent and attorney for the purposes of taking all necessary action (including executing necessary documentation) to effect the transfer of Excluded Stapled Securities as contemplated by this article 24.

*The Directors of ATLAX recommend that Shareholders vote in favour of Item 7.*

Each holder of Stapled Securities who is or becomes an Excluded US Person authorises and directs the US Sale Nominee to sell the Excluded Stapled Securities and pay the net sale proceeds in accordance with this article 24.1(f).

# Explanatory Notes on the Atlas Arteria Notices of Meeting continued

## B. 2019 Annual General Meeting for Atlas Arteria International Limited

### ATLIX Item 1 – Audited Financial Statements

The Directors of ATLIX are obliged under the Bermuda Companies Act to lay the audited financial statements before the company at a general meeting for consideration by the ATLIX shareholders. The audited financial statements of ATLIX as well as the ALX Annual Report are available on ALX's website at [www.atlasarteria.com](http://www.atlasarteria.com) or may be requested from the address shown in the Corporate Directory (attention: Bodie ter Kuile, CFO). Shareholders will have an opportunity to ask questions about the financial report and ALX's operations generally but there is no requirement for a formal resolution to approve the financial statements.

*No ATLIX shareholder vote is required on this item.*

### ATLIX Item 2 – Appoint PricewaterhouseCoopers as Auditor

***This is an ordinary resolution and, to be passed, must be passed by more than 50% of the votes cast by Shareholders present (in person, by proxy or by representative) and entitled to vote on the resolution.***

All companies to which the Bermuda Companies Act applies are required (unless all shareholders and directors, either in writing or at a general meeting, otherwise agree) to appoint auditors at each annual general meeting to hold office until the close of the next annual general meeting.

This resolution proposes the re-appointment of PricewaterhouseCoopers, being the existing auditor of ATLIX, as auditor and in accordance with standard practice authorises the Directors to fix their remuneration.

*The Directors of ATLIX recommend that Shareholders vote in favour of the resolution to re-appoint PricewaterhouseCoopers as auditor of ATLIX and authorise the Directors of ATLIX to fix their remuneration.*

### ATLIX Item 3 – Re-election of Directors

***These are ordinary resolutions and, to be passed, must be passed by more than 50% of the votes cast by Shareholders present (in person, by proxy or by representative) and entitled to vote on each resolution.***

Bye-Law 56 of ATLIX's Bye-Laws requires at least one third of directors to stand for re-election every year and no director must hold office for more than three years without standing for re-election.

In accordance with the ATLIX Bye-Laws and the ASX Listing Rules, James Keyes and Nora Scheinkestel retire by rotation and each offers themselves for re-election to the Board of ATLIX. The Directors of ATLIX support both James Keyes' and Nora Scheinkestel's re-election as non-executive, independent directors of ATLIX.

#### **James Keyes MA (Oxon)**

James Keyes has been a Director of ATLIX since 21 February 2013. He was last re-elected by ATLIX Shareholders on 13 April 2017. James is Chairman of the ATLIX Remuneration Committee.

James Keyes is a Bermudan solicitor and barrister. He is currently on the board of a number of private and listed companies. He began his career with Freshfields in London and New York then moved to the Funds and Investment Services team at Appleby, one of the largest offshore law firms in Bermuda.

James retired as a partner from Appleby in 2008, and held a part time position as Managing Director of Renaissance Capital, an investment bank, until December 2012. James was a director of the Bermudan entity within Transurban Group for six years, as well as a director of a company in the Moto group which operated road service stations in the UK, from which he gained experience in the toll road sector.

*The Directors of ATLIX (except James Keyes) recommend that Shareholders vote in favour of James Keyes' election as an independent director.*

# Explanatory Notes on the Atlas Arteria Notices of Meeting continued

## **Nora Scheinkestel LLB (Hons) PhD, FAICD, Centenary Medal**

Nora Scheinkestel has been a Director of ATlix since 17 April 2015. She has also been the Chairman of ATLAX from 17 April 2015 and Director from 28 August 2014. Nora is also Chairman of the ATLAX Nomination and Governance Committee. She was last re-elected to the ATlix Board on 13 April 2017.

Nora is an experienced company director having served as chairman and director on a number of public and private sector boards spanning a wide range of industry sectors. She is also currently a director and committee chairman of Telstra Corporation Limited, AusNet Services Limited and OceanaGold Corporation.

Nora has a long track record in the infrastructure sector. Her background is as a senior banking executive in international and project financing, responsible for the development and financing of major mining and infrastructure projects in Australasia and South East Asia. She is a published author of *Rethinking Project Finance – Allocating and Mitigating Risk in Australasian Projects*. She has been chairman and director of companies in highly regulated sectors such as utilities as well as her current role in telecommunications and in sectors facing significant disruption from technology and market changes.

She consults to government, corporate and institutional clients in areas such as corporate governance, strategy and finance.

Nora is an Associate Professor in the Melbourne Business School at Melbourne University, a former member of the Takeovers Panel and was awarded a centenary medal for services to Australian society in business leadership.

*The Directors of ATlix (except Nora Scheinkestel) recommend that Shareholders vote in favour of Nora Scheinkestel's election as an independent director.*

## **ATlix Item 4 – Approval to increase aggregate fee pool for Non-Executive Directors**

***This is an ordinary resolution and, to be passed, must be passed by more than 50% of the votes cast by Shareholders present (in person, by proxy or by representative) and entitled to vote on each resolution.***

### **Proposal for increase**

It is proposed that the fee pool for Non-Executive Directors be increased from US\$500,000 to US\$700,000 per annum (an increase of US\$200,000), with effect from and including the financial year commenced on 1 January 2019.

In accordance with the ASX Listing Rules and the Bye-Laws, ATlix must not increase the aggregate fee pool for Non-Executive Directors' remuneration without the approval of Shareholders.

### **Reasons for proposed increase**

The reasons for the proposed increase are as follows:

- the current aggregate Non-Executive Director fee pool limit of US\$500,000 per annum was set out in the ATlix Bye-Laws upon ALX's listing on the ASX in 2010. The ATlix Board has not sought to increase the total fee pool since listing in 2010;
- in order to attract and retain high calibre Non-Executive Directors, fees are reviewed periodically by the Remuneration Committee and set with reference to the market;
- a review of market Non-Executive Director fees was undertaken in FY2018, which included a review of market benchmarking information for companies of a similar size and complexity to ALX (being companies with a 12 month average market capitalisation between 50% to 200% of ALX); and
- this review highlighted that the overall ALX Non-Executive Directors fee pool is materially below the median level for companies of similar size and complexity to ALX.

# Explanatory Notes on the Atlas Arteria Notices of Meeting continued

The proposed increase to the Non-Executive Director fee pool is sought to:

- maintain market competitiveness to ensure that ATLIX can attract and retain high calibre individuals with the appropriate skills, experience, expertise and diversity as Non-Executive Directors; and
- provide sufficient scope for succession planning and ongoing flexibility.

Based on the information obtained through the FY2018 review of Non-Executive Directors' remuneration, the ATLIX Board considers that the increased fee pool will allow Non-Executive Directors' fees to be positioned close to the market median. The proposed revised Non-Executive Director fees for ATLIX are set out in the Remuneration Report.

No securities have been issued to any Non-Executive Directors of ATLIX under Listing Rules 10.11 or 10.14 with approval at any time in the last three years.

*The Directors of ATLIX recommend that Shareholders vote in favour of Item 4.*

## **ATLIX Item 5 – Amendments to ATLIX Bye-Laws**

***This is a special resolution and, to be passed, must be passed by at least 75% of the votes cast by Shareholders present (in person, by proxy or by representative) and entitled to vote on the resolution.***

### **Reasons for proposed changes to Bye-Laws**

Please refer to Item 6 of Part A of these Explanatory Notes for details regarding the proposed changes to the Bye-Laws.

### **Proposed changes**

In accordance with the Bye-laws and Section 13 of the Bermuda Companies Act, ATLIX submits to Shareholders for consideration and adoption by way of a special resolution an amendment of ATLIX's Bye-Laws to insert the following as a new Bye-Law 100.

## **100 Excluded US Persons**

- (a) Each holder of Stapled Securities acknowledges that Stapled Securities are not permitted to be held by or for the account or benefit of any person who is a "US Person" within the meaning given in Rule 902 of Regulation S under the U.S. Securities Act of 1933, as amended ("US Person") who is not a "Qualified Purchaser" within the meaning given in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended and the rules and regulations of the Securities and Exchange Commission promulgated thereunder (a "QP").
- (b) Subject to the Corporations Act, at any time the Directors may determine:
  - (i) that a holder of Stapled Securities (or a person who seeks to be registered as a holder of Stapled Securities) is excluded, if it considers that the person is a US Person that is not a QP or holds or will hold Stapled Securities for the account or benefit of any US Person who is not a QP (such person being an "Excluded US Person"); and
  - (ii) that some or all of the Stapled Securities held or to be held by the Excluded US Person are excluded (such Stapled Securities being "Excluded Stapled Securities").
- (c) At any time, the Directors may require a holder of Stapled Securities to complete a statutory declaration in relation to whether the holder (or any person on whose account or benefit it holds Stapled Securities) is a US Person who is not a QP, and the number of Stapled Securities affected. The Directors may determine that any holder who does not comply with a request for information under this Bye-Law 100(c) is an Excluded US Person in respect of all Stapled Securities held by that holder or such lesser number of Stapled Securities as the Directors determine.

# Explanatory Notes on the Atlas Arteria Notices of Meeting continued

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(d) Where the Directors have made a determination under Bye-Law 100(b) or Bye-Law 100(c), the Directors may:

- (i) refuse to register a transfer of Excluded Stapled Securities to the Excluded US Person; or
- (ii) give the Excluded US Person a notice requiring them to dispose of their Excluded Stapled Securities to any person other than someone who is, or will hold the Stapled Securities for the account or benefit of, a US Person who is not a QP (such person being a **"Permitted Person"**) within a period of not less than 30 Business Days specified in the notice (the **"Transfer Period"**) after which the Excluded Stapled Securities must be transferred to a person nominated by the Board to sell the Excluded Stapled Securities (the **"US Sale Nominee"**).

(e) Each holder of Stapled Securities who is or becomes an Excluded US Person may transfer their Excluded Stapled Securities to a Permitted Person during the Transfer Period. At the end of the Transfer Period, the Excluded US Person must transfer any remaining Excluded Stapled Securities free of any encumbrances or third party rights to the US Sale Nominee within 3 Business Days after the end of the Transfer Period.

(f) The Company must ensure that the US Sale Nominee:

- (i) sells any Excluded Stapled Securities transferred to it under Bye-Law 100(e) for cash; and
- (ii) pays the sale proceeds (net of transaction costs, including brokerage, stamp duty and other taxes) for the Excluded Stapled Securities to the Excluded US Person as soon as practicable after completion of the sale.

Each holder of Stapled Securities who is or becomes an Excluded US Person authorises and directs the US Sale Nominee to sell the Excluded Stapled Securities and pay the net sale proceeds in accordance with this Bye-Law 100(f).

(g) The Company may register the transfer of Excluded Stapled Securities to the US Sale Nominee and to the buyer from the US Sale Nominee in the Register without having received a transfer or certificate (if any) for Excluded Stapled Securities. The relevant transfers take effect from registration in the Register.

(h) Each holder of Stapled Securities irrevocably appoints the Company as its agent and attorney for the purposes of taking all necessary action (including executing necessary documentation) to effect the transfer of Excluded Stapled Securities as contemplated by this Bye-Law 100.

*The Directors of ATLIX recommend that ATLIX shareholders vote in favour of Item 5.*

# Voting Information

## 1. Defined Terms

Certain defined terms are set out in the Glossary although terms which are defined in the Constitution of ATLAX and the Bye-Laws of ATLIx have the same meaning when used in the ALX Notices of Annual General Meeting (including these notes and the explanatory notes) unless the context requires otherwise.

## 2. Entitlement to Vote

ATLAX and ATLIx have determined under Regulation 7.11.37 of the Corporations Act and under Bye-Law 82 respectively that, for the purpose of voting at the AGMs, a Shareholder's voting entitlement to vote at each AGM will be taken to be the entitlement as shown on the register of Shareholders at 7.00pm Sydney time on 15 April 2019.

## 3. Proxies

A Shareholder is entitled to appoint a proxy to vote at the AGMs on their behalf. If you are entitled to cast two or more votes at the AGMs, you may appoint two proxies to vote at the AGMs on your behalf and specify the proportion or number of votes each proxy is entitled to exercise. Please note, however, that in relation to ATLIx, if you appoint more than one proxy, such proxies will not be entitled to vote on a show of hands. You may nominate a representative of your choosing (who does not need to be a Shareholder) or the Chairmen of the AGMs as your proxy. If you return your Proxy Form but do not nominate a person as your proxy, the Chairmen will be your proxy and will vote on your behalf as you direct on the Proxy Form. If your nominated representative does not attend the AGMs, then your proxy will revert to the Chairmen.

You may direct your proxy how to vote on each resolution on your Proxy Form. If the Chairmen are your proxy and you choose not to mark the boxes instructing the Chairmen how to vote, the Chairmen will exercise these votes in favour of the resolutions, subject to the voting exclusion statement contained in the ALX Notice of 2019 Annual General Meeting. The statement as to how the Chairmen intend to vote undirected proxies necessarily expresses the Chairmen's intention at a particular point in time and, in exceptional circumstances, the Chairmen's intention may change. If there is a change to how the Chairmen intend to vote undirected proxies, ALX will make an immediate announcement to the market stating that

fact and explaining the reasons for the change. The Corporations Act requires that if the appointment of a proxy specifies the way the proxy is to vote on a particular resolution:

- the proxy is not required to vote on a show of hands, but if the proxy does so, the proxy must vote as directed (subject to any applicable voting exclusions);
- if the proxy has two or more appointments that specify different ways to vote on the resolutions, the proxy must not vote on a show of hands;
- if the proxy is not the Chairman of the meeting, the proxy need not vote on a poll but if the proxy does so, the proxy vote must vote as directed (subject to any applicable voting restrictions); and
- if the proxy is the Chairman of the meeting, the proxy must vote on a poll and must vote as directed.

In addition, there are some circumstances where the Chairman of the meeting will be taken to have been appointed as a Shareholder's proxy for the purposes of voting on a particular resolution even if the Shareholder has not expressly appointed the Chairman of the meeting as their proxy. This will be the case where:

- the appointment of a proxy specifies the way the proxy is to vote on a particular resolution;
- the Chairman of the meeting is not named as the proxy;
- a poll has been called on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy attends the meeting but does not vote on the resolution.

Shareholders should consider directing the proxy how to vote on each resolution by crossing either a "For", "Against", or "Abstain" box when lodging their Proxy Form to ensure that their proxy is permitted to vote on their behalf in accordance with their instructions.

Note that the Corporations Act requirements described above do not apply to ATLIx as it is a Bermudan company.



## Glossary to the Macquarie Atlas Roads Notices of Meeting

The Proxy Form must be signed by the Shareholder or the Shareholder's attorney in accordance with the directions on the Proxy Form. The Proxy Form must be:

- received by ALX's Registrar, Computershare Investor Services Pty Limited, at:
  - GPO Box 242, Melbourne, Victoria, 3001; or
  - Level 4, 60 Carrington Street, Sydney NSW 2000 (facsimile number+ 61 3 9473 2555); or
- deposited at ATLAX's registered office,

not less than 48 hours before the time of the AGMs – i.e. no later than 10.00 am Sydney time on 15 April 2019. If the Proxy Form is signed by the Shareholder's attorney, the authority under which the Proxy Form was signed (or a certified copy of the authority) must also be sent or deposited at the above address with the Proxy Form.

You may also submit your Proxy Form online by visiting the webpage [www.computershare.com.au](http://www.computershare.com.au).

To use the online facility, you will need your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode, as shown on your Proxy Form. You will be taken to have signed the Proxy Form if you lodge it in accordance with the instructions on the website. If you wish to use this facility, you must lodge your Proxy Form through the facility no later than 48 hours before the time of the meeting – i.e. no later than 10.00 am Sydney time on 15 April 2019. A proxy cannot be appointed electronically if they are appointed under a power of attorney or similar authority. The online proxy facility may not be suitable for some Shareholders who wish to split their votes on an item of business or appoint two proxies with different voting directions. Read the instructions for the online proxy facility carefully before you lodge your proxy using this facility.

Your vote is important. It is important that if you do not intend to attend the AGMs, you complete and return a Proxy Form.

### 4. Resolutions to be Decided on a Poll

All resolutions can be determined on a show of hands unless a poll is validly demanded. On a poll, a shareholder of ATLAX shall have one vote for each share they hold in ATLAX and a shareholder of ATLIX shall have one vote for each share they hold in ATLIX.

**ASX** means the Australian Securities Exchange.

**ASX Listing Rules** means the official listing rules of the ASX.

**Bermuda Companies Act** means The Companies Act 1981 of Bermuda.

**Corporations Act** means Corporations Act 2001 (Cth).

**Macquarie** or **Macquarie Group** means Macquarie Group Limited (ABN 94 122 169 279) and/or any of its related bodies corporate as the context requires.

**ATLAX** means Atlas Arteria Limited (ACN 141 075 201).

**ATLIX** means Atlas Arteria International Limited (Reg No 43828).

**ALX** means Atlas Arteria, comprising ATLAX and ATLIX, or, ATLAX and its controlled entities together with ATLIX and its controlled entities, as the context requires.

**ALX Management Agreements** means the management agreement between the ALX Manager and ATLAX dated 2 February 2010 (as subsequently amended) and the advisory agreement between the ALX Manager and ATLIX dated 2 February 2010 (as subsequently amended).

**ALX Manager** means Macquarie Fund Advisers Pty Limited (ABN 84 127 735 960) (AFS Licence No 318 123), the manager of ATLAX and adviser to ATLIX.

**ALX Notices of Annual General Meeting** means the ATLAX Notice of 2019 Annual General Meeting and the ATLIX Notice of 2019 Annual General Meeting.

**ALX Securities** means the securities in ALX, consisting of a share in ATLAX and a share in ATLIX.

**Investment Company Act** means the U.S. Investment Company Act of 1940.

**Shareholder** means a person who holds ALX Securities.

**Sydney time** means the time in Sydney, Australia.

**TSR** means total shareholder return.

**WVAP** means volume weighted average price.

# Corporate Directory

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## Atlas Arteria

Level 7, 50 Martin Place  
Sydney NSW 2000  
Australia

Telephone: (Australia) 1800 621 694  
Telephone: (International) +61 2 8232 7455  
Facsimile: +61 2 8232 4713  
Email: ALX@macquarie.com  
Website: www.atlasarteria.com

## Manager of Atlas Arteria Limited and Adviser to Atlas Arteria International Limited

Macquarie Fund Advisers Pty Limited  
(ABN 84 127 735 960)  
AFS Licence No. 318 123

## Atlas Arteria Limited

Level 7, 50 Martin Place  
Sydney NSW 2000  
Australia

### Directors

Nora Scheinkestel (Chairman)  
David Bartholomew  
Debra Goodin  
Jean-Georges Malcor

### Secretaries

Christine Williams  
Lyndal Coates

## Atlas Arteria International Limited

The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM08  
Bermuda

### Directors

Jeffrey Conyers (Chairman)  
James Keyes  
Christopher Leslie  
Derek Stapley  
Nora Scheinkestel

### Secretary

Andrew Davidson

## Registry

Computershare Investor Services Pty Limited  
GPO Box 2975  
Melbourne VIC 3001

Telephone: 1800 267 108 or +61 3 9415 4053  
Facsimile: +61 3 9473 2555  
Email: web.queries@computershare.com.au  
Website: www.computershare.com/au