

# **CORP 2 – INSIDER TRADING POLICY**

## INSIDER TRADING POLICY

*This policy applies to all Directors, officers and employees of Freightways Limited (“Freightways”) and its subsidiaries (“Team Members”) who intend to trade in Freightways listed securities. In this policy “trade” includes buying or selling listed securities, or agreeing to do so, whether as principal or agent, but it does not include subscription for, or the issuance of, new securities.*

### Introduction and purpose

This document details Freightways’ policy on, and rules for dealing in the following securities (“Restricted Securities”):

- Freightways Ordinary Shares; and
- any other listed securities of Freightways or its subsidiaries, and any listed derivatives (including futures contracts listed on an authorised futures exchange) in respect of Freightways securities, from time to time.

The requirements imposed by the policy are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand and any other country where those securities may be listed.

**If you do not understand any part of this policy, or how it applies to you, you should raise the matter with the Chief Financial Officer, before dealing with any securities covered by this policy.**

### Fundamental rule – insider trading is prohibited at all times

If you possess “material information” (refer to definition below), then **whether or not** you are a Restricted Person below, you must not:

- trade Restricted Securities;
- advise or encourage others to trade, or hold any Restricted Securities; or
- pass on the material information to others.

The prohibitions apply regardless of how you learn of the information, and regardless of why you are trading. You should note that, even if you cease to be a Team Member the prohibitions will still apply to you if you remain in possession of material information.

The prohibition on insider trading applies not only to information concerning Freightways’ securities. If you have material information in relation to listed securities of another issuer (including futures contracts listed on an authorised futures exchange over listed securities) then you must not trade in those securities, advise or encourage others to trade or hold those securities or pass on the information to others.

### Insider trading laws

If you have any **material information**, it is illegal for you to:

- trade Restricted Securities;
- procure another person to trade in Restricted Securities;
- advise or encourage another person to trade or hold Restricted Securities;
- advise or encourage a person to advise or encourage another person to trade or hold Restricted Securities; or
- pass on the **material information** to anyone else – including colleagues, family or friends – knowing (or where you ought to have known) that the other person will use that information to trade, continue to hold, or advise or encourage someone else to trade, or hold, Restricted Securities.

This offence, called “insider trading”, can subject you to criminal liability including large fines (up to \$300,000 for an individual and up to \$1,000,000 for a body corporate) and/or imprisonment (up to 5 years), and civil liability, which may include being sued by another party or Freightways, for any loss suffered as a result of illegal trading.

### **Confidential information**

In addition to the above, you also have a duty of confidentiality to Freightways. You must not reveal any confidential information concerning Freightways to a third party (unless that third party has signed a confidentiality agreement with Freightways and you have been authorised to disclose the confidential information), or to use confidential information in any way which may injure or cause loss to Freightways, or use confidential information to gain an advantage for yourself. You should ensure that external advisers keep Freightways information confidential.

### **What is “material information”?**

“Material information” is information that:

- is not generally available to the market; and
- if it were generally available to the market, would have a material effect on the price of Freightways’ listed securities.

Information is generally available to the market if it has been released as an NZX announcement, or investors that commonly invest in Freightways’ listed securities can readily obtain the information (whether by observation, use of expertise, purchase or other means).

It does not matter how you come to know the material information (including whether you learn it in the course of carrying out your responsibilities, or in passing in the corridor, or in a lift, or at a social function).

Information includes rumours, matters of supposition, intentions of a person (including Freightways), and information, which is insufficiently definite to warrant disclosure to the public.

### **What are some examples of material information?**

The following list is illustrative only and by no means exhaustive. Material information could include information concerning:

- the financial performance of Freightways;
- a possible change in the strategic direction of Freightways;
- the introduction of an important new product or service;
- a possible acquisition or sale of any assets or company by Freightways;
- entry into or the likely entry into or termination or likely termination of material contracts or other business arrangements which are not publicly known;
- a possible change in Freightways’ capital structure;
- a change in the historical pattern of dividends;
- senior management changes;
- a possible change in the regulatory environment affecting Freightways;
- a material legal claim by or against Freightways; or
- any other unexpected liability,

which has not been released to the market.

## Exceptions

This policy does not apply to:

- acquisitions and disposals of Restricted Securities by gift or inheritance; or
- acquisitions of Restricted Securities through an issue of new listed securities, such as an issue of new debt securities or new shares on the exercise of options, under a rights issue, dividend reinvestment plan, or employee share or incentive scheme.

## Short term trading discouraged

You should not engage in short term trading (the buying and selling of listed securities within a one month period), unless there are exceptional circumstances discussed with and approved by the Chief Financial Officer.

Short term trading can be a key indicator of insider trading, particularly if undertaken on a regular basis or in large amounts. Therefore, to reduce the risk of an allegation of insider trading, do not trade listed securities on a short-term basis.

## Trading restrictions for Restricted Persons (black-out periods)

Restricted Persons are prohibited from trading in any Restricted Securities during specific “black-out” periods. “Restricted Persons” include:

- all Directors;
- the Chief Executive and all members of the Management Executive Team;
- the administrative staff of the Executive Offices;
- trusts and companies controlled by such persons; and
- anyone else notified by the Chief Financial Officer from time to time.

Employees and directors will be considered responsible for the actions of trusts and companies controlled by them. In this respect, “control” is not to be construed in a technical way but by looking at how decisions are made in practice.

Restricted Persons are prohibited from trading in any Restricted Securities during the following specific “black-out” periods:

- 30 days prior to Freightways’ half-year balance date, until the first trading day after the half year results are released to NZX;
- 30 days prior to Freightways’ year-end balance date, until the first trading day after the full year results are released to NZX; and
- 30 days prior to the release of any announcement to NZX relating to a general public offer of any Restricted Securities, until the date of registration of the prospectus (or in the case of an offer document that is not required to be registered, the date of its release) relating to the general public offer.

Restricted Persons are not permitted to trade any Restricted Securities during a black-out period unless Freightways’ Board of Directors provides a specific exemption.

Please note that if you hold material information you must not trade Restricted Securities at any time – regardless of these periods.

### **Requirements before trading – for Restricted Persons**

Before trading in Restricted Securities, at any time, Restricted Persons must, in writing:

- notify Freightways' Chief Financial Officer of their intention to trade in securities, and seek consent to do so (using the **Request for Consent to Trade in Listed Securities** form attached);
- confirm that they do not hold material information; and
- confirm that there is no known reason to prohibit trading in any Restricted Securities.

A consent is only valid for a period of 10 trading days after notification by the Chief Financial Officer. A consent is automatically deemed to be withdrawn if the person becomes aware of material information prior to trading.

Directors are required to seek approval from the Chairman of the Board in advance of trading in Restricted Securities. The Chairman is required to seek approval from the Chairman of the Audit & Risk Committee.

### **Requirements after trading – for restricted persons**

A Restricted Person must advise the Chief Financial Officer promptly following completion of any trade, and the Restricted Person must comply with any disclosure obligations that person has under the Securities Markets (Disclosure of Relevant Interests by Directors and Officers) Regulations 2003.

If a Restricted Person is subject to disclosure obligations under the Securities Markets (Disclosure of Relevant Interests by Directors and Officers) Regulations 2003, such disclosure obligations continue to apply for six months after that person ceases to be a Restricted Person.

### **If in doubt, don't**

The rules contained in this policy do not replace your legal obligations. The boundary between what is (and is not) in breach of the law is not always clear. Sometimes behaviour that you consider to be ethical actually may be insider trading. If in doubt, don't!

### **Breaches of policy**

Strict compliance with this policy is a condition of employment. Breaches of this policy will be subject to disciplinary action, which may include termination of employment.

### **Monitoring of trading**

Trading of Team Members may be monitored as part of the administration of this policy.

### **Endorsement of policy**

The Board of Directors of Freightways has approved this policy. The Board may approve updates, amendments to and exemptions to this policy from time to time, which may be implemented by written notice to you.

To the extent of any inconsistency with any previous policy or rules relating to this subject matter, this policy prevails over them.

This policy is not intended to be legal advice and is not a substitute for legal advice. If you have any doubt about whether you may trade in Restricted Securities you should raise the matter with the Chief Financial Officer or consult a legal adviser.

**FREIGHTWAYS LIMITED**

**REQUEST FOR CONSENT TO TRADE IN LISTED SECURITIES**

To: Chief Financial Officer, Freightways Limited ("Freightways")

In accordance with Freightways' Insider Trading Policy, I request Freightways' consent be given to the following proposed transaction to be undertaken either by me or persons associated with me, within 10 days of notification of approval being given. I acknowledge Freightways is not advising or encouraging me to trade or hold securities and does not provide any securities recommendation.

Name of Restricted Person:	
Position in company:	
Residential address:	
E-mail address:	
Name of Registered Holder transacting: (if different)	

Description/class of securities:			
Number of securities:			
Type of proposed transaction (circle):	<b>Acquire</b>	<b>Dispose of</b>	<b>Other (specify)</b>
To be transacted:	<input type="checkbox"/> On NZX <input type="checkbox"/> Off-market Trade <input type="checkbox"/> Subscription <input type="checkbox"/> Other (please specify)		
Likely date of transaction: (on or about)			

**DECLARATION**

I declare that I do not hold information which:

- is not generally available to the market; and
- would have a material effect on the price of Freightways' listed securities if it were generally available to the market.

I know of no reason to prohibit me from trading in Freightways' listed securities and certify that the details given above are complete, true and correct.

**I UNDERSTAND THAT CONSENT IS AUTOMATICALLY DEEMED TO BE WITHDRAWN IF I BECOME AWARE OF MATERIAL INFORMATION PRIOR TO TRADE BEING COMPLETED.**

\_\_\_\_\_  
Signature of Restricted Person

\_\_\_\_\_  
Date

Freightways hereby **consents / does not consent** to the proposed transaction described above. Any consent is conditional on the proposed transaction being completed within 10 trading days of the date of this consent, and in compliance with Freightways' Insider Trading Policy.

\_\_\_\_\_  
Signature of Chief Financial Officer

\_\_\_\_\_  
Date