

BD 1 - BOARD CHARTER

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The Board of Directors of Freightways Limited (the Board) has resolved to establish this Charter to govern the manner in which the Board will function. The specific matters addressed by the Charter are as follows:

Duties and Responsibilities

The Board has responsibility for the affairs and activities of Freightways Limited (the Company), which other than in relation to Health & Safety, is in practice, achieved through delegation to the Chief Executive Officer (CEO) charged with day-to-day leadership and management of the Company. The CEO also has special responsibility to manage and oversee the interface with the public and to act as the principal representative of the Company. In particular the Board will:

- Establish key corporate objectives and strategies for achieving those objectives;
- Monitor management implementation of the strategies;
- Approve budgets and monitor performance against budget;
- Ensure adequate risk management strategies are in place;
- Ensure the Company has in place and adheres to robust Health & Safety standards, appropriate to the industries and environment in which it operates in and complies with the requirements of the Health & Safety at Work Act 2015;
- Set measurable objectives against which to measure the Company's performance against its diversity policy;
- Monitor the timeliness of the Company's communications with its shareholders and other stakeholders; and
- Appoint the Board Chair and the CEO.

The Board will endeavour to comply with and will be guided by the NZX Corporate Governance Code. When the Board does not deem it appropriate to comply, it will explain its reasons to the market.

Directors must act in accordance with their fiduciary duties in the best interests of the Company.

Directors must exercise all due skill and care in the performance of their duties.

Directors must at all times comply with this charter and the Company's policies and procedures and in particular the policies and codes applicable to:

- Ethics;
- Insider Trading; and

- Disclosure of interests in shares issued by the Company.

Composition

In accordance with the Company's constitution the Board will comprise not less than 3 and not more than 10 directors.

The Board will be comprised of a mix of persons with complementary skills appropriate to the Company's objectives and strategies.

The Board must include not less than 2 persons (or if there are 8 or more directors, 3 persons or one third rounded down to the nearest whole number of directors) who are deemed to be independent in accordance with the definitions in the NZX Listing Rules.

The chief executive officer of the Company will not occupy the position of Board Chair.

Independence

The Board will determine whether a director is independent having had regard to the non-exhaustive factors described in the NZX Corporate Governance Code that may impact director independence.

In accordance with the NZX Listing Rules a director will be deemed to lack independence in circumstances including if he or she:

- Is, or is associated (directly or indirectly) with, a shareholder holding 5% or more of the shares on issue in the Company and is as a result likely to derive a substantial portion of his or her income from that relationship; or
- Is an executive of the Company.

Audit & Risk

The Board has established an Audit & Risk Committee to:

- set the principles and standards with respect to internal controls, accounting policies and the nature, scope, objectives and functions of external and internal audit; and
- ensure the efficient and effective management of all business risk, and the efficient and effective compliance with relevant legal and company policy requirements.

Appointments

The Board has established a Nominations Committee to keep the performance and composition of the Board under review.

The Committee may put forward as director nominees any persons it considers are required to fill any vacancy or improve the composition of the Board.

The Committee must also review the performance of the Board annually and may make such recommendations in relation to that performance as it sees fit.

Remuneration

The Board has established a Remuneration Committee to review annually the remuneration paid to Directors and senior executives of the Company.

Diversity & Inclusion

The Directors are committed to ensuring diversity and inclusion in the Company's workplace and want to ensure the Company's diversity policy is applied in all areas of its business.

The Board will set measurable objectives for achieving diversity and inclusion and will review annually both the policy and the progress made toward achieving the set objectives.

The Board will ensure appropriate disclosures of diversity and inclusiveness are made in the Company's annual report.

Health & Safety

The Board will monitor and support the Health & Safety practices of the Company.

Directors will provide leadership, develop their knowledge of the company's operations and complete their own due diligence in regards to Health & Safety in the workplace.

Health & Safety is a standard Board agenda item that is discussed at all scheduled Board meetings.

Training and Information

Directors will upon initial appointment be provided with:

- Detailed written information about the Company, its history and its business;
- Copies of all policies and procedures of the Company; and
- Such induction and training as the Board or the new Director considers necessary to ensure that the new Director has the knowledge and skills required to function as a fully participating member of the Board.

Directors will be provided with comprehensive papers not less than five days prior to each Board meeting.

Directors will be entitled to request any information about the operations of the Company.

All information provided to Directors about the Company and its business is valuable property of the Company and Directors must deal with it only in accordance with the Company's Code of Ethics and related policies.

The Board will regularly review its skills and knowledge and implement such training programmes as are necessary or desirable in order to ensure that Directors keep up with developments in:

- the Company's area of business;
- standards of corporate conduct; and
- legal compliance.

Investment Review

The Board will evaluate post-implementation reviews on capital expenditure projects/investment above the delegated authority of the CEO at 12 months post-completion.

Committees

The Board will establish Committees to deal with particular matters as it considers desirable or appropriate.

Standing Committees established by the Board, operating under their own Charters, are:

- Audit & Risk Committee;
- Remuneration Committee; and
- Nominations Committee.

Delegation

The formulation and implementation of policies and reporting procedures for management, other than as referred to above, has been delegated to the CEO. This formal delegation is monitored as part of the formal business at meetings of the Board.

Performance Review

The performance of the Board against this Charter must be reviewed annually by the Nominations Committee and any resulting recommendations must be implemented promptly.

Review of Charter

The Board is responsible for reviewing and approving this Charter every 3 years, or more frequently as circumstances require.



Next Review of this Charter: July 2023