

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF FREIGHTWAYS LIMITED

Notice is hereby given to all Shareholders that the Annual Meeting of Shareholders of Freightways Limited (Freightways) will be held on Thursday, 28 October 2021 at 10.00 am.

As the safety of our team and shareholders is our highest priority, Freightways expects to offer shareholders the ability to attend the Annual Meeting by remote access through a Virtual Meeting option, as well as, if conditions permit, in-person in the South Level 4 Lounge, Eden Park, Reimers Avenue, Kingsland, Auckland. The in-person element of the Annual Meeting will only go ahead if, on 15 October 2021, there is the clear expectation that Auckland will be at COVID-19 alert level 1 on 28 October 2021. Should Auckland be at any other COVID-19 alert level than level 1 on 28 October 2021, only a virtual meeting will take place. Freightways will provide shareholders with as much notice as is reasonably practicable via the NZX. In all cases, shareholders may attend virtually through the Computershare Meeting Services web platform. Your CSN/Shareholder Number can be found on your Proxy/Voting Form for verification purposes.

Further details on how to participate virtually are provided in the accompanying Virtual Meeting Guide. Shareholders are encouraged to review this guide prior to the Annual Meeting. If you have any questions or need assistance with the online process, please contact Computershare on +64 9 488 8777 between 8.30am and 5.00pm, Monday to Friday.

Business

- A. Chairman's introduction
- B. Chief Executive Officer's Review and Trading Update
- C. Resolutions

To consider, and if thought fit, pass the following ordinary resolutions:

1. That Mark Cairns be elected as a Director of Freightways.
2. That Fiona Oliver be elected as a Director of Freightways.
3. That Abby Foote be re-elected as a Director of Freightways.
4. That Peter Kean be re-elected as a Director of Freightways.
5. That the total quantum of the annual Directors' fee pool be increased by \$161,100 from an aggregate of \$696,045 to an aggregate of \$857,145, such aggregate amount to be divided amongst the Directors as they deem appropriate.
6. That the Directors are authorised to fix the Auditors' remuneration.

By Order of the Board

Stephan Deschamps
CHIEF FINANCIAL OFFICER

23 September 2021

PROXIES AND REPRESENTATIVES

Shareholders may exercise their right to vote at the meeting either by being present in person or by appointing a proxy to attend and vote in their place. A proxy need not be a shareholder of the Company. A body corporate shareholder may appoint a representative to attend the meeting on its behalf. A combined admission card and proxy form is enclosed with this notice. If you wish to vote by proxy you may either visit www.investorvote.co.nz to lodge your proxy or by completing and signing the proxy form and sending it to the Company's share registrar, Computershare Investor Services Limited. The proxy form will only be effective if it is received by the Company's share registrar no later than 10.00am Tuesday, 26 October 2021, being 48 hours prior to the commencement of the meeting. A reply-paid envelope is enclosed if mailing the proxy form from within New Zealand. If you wish to deposit your proxy by fax, please send it to Computershare on fax (09) 488 8787.

EXPLANATORY NOTES

All references to the "Listing Rules" are references to the NZX Listing Rules, dated 10 December 2020.

RESOLUTIONS ON ELECTION OF NEW DIRECTORS AND RE-ELECTION OF CURRENT DIRECTORS

Shareholders should note the average tenure on the Board among the current directors is less than 5 years, following the appointment of two new directors earlier this year.

The Board is conscious of the need for continuity of experience and Board renewal. Kim Ellis will be retiring at the conclusion of this year's Annual Meeting as signalled prior to his previous re-election, and Mark Verbiest intends to retire during his current three-year term during 2022, enabling appropriate and orderly succession. Both Kim and Mark have over ten years tenure on the Board. At this time the Board sincerely thanks Kim for his outstanding contribution to Freightways over his tenure.

The appointment of Mark Cairns and Fiona Oliver as new Directors recently, who are standing for election at this year's Annual Meeting, is part of the Board's succession planning. Mark has relevant experience in logistics, infrastructure, contracting and capital markets, and Fiona has relevant experience in governance, investments, mergers and acquisitions and capital markets.

RESOLUTION 1: ELECTION OF DIRECTOR

That Mark Cairns be elected a director of the Company.

Mark Cairns was appointed by the Board subsequent to the last Annual Meeting and offers himself for election. The Board has determined that Mark is an independent director and unanimously recommends that shareholders vote in favour of his election.

Mark Cairns, BE(Hons), BBS, MGMT, FIPENZ

Mark was appointed a Director in April 2021. He will become Chair of the People and Remuneration Board sub-committee following the retirement of Kim Ellis from the board in October this year. Mark was Chief Executive of Port of Tauranga, New Zealand's largest and most successful port, from 2005 until his retirement in June 2021 to pursue a full-time governance career. Mark was previously Chief Executive of Toll Owens Limited and Owens Cargo Company Limited. Mark has extensive experience in logistics, infrastructure, contracting and significant exposure to capital markets. Mark is also a director of Meridian Energy Limited and Sanford Limited. He is the intended Chair of the 2degrees board if its IPO proceeds. In 2019, Mark received the prestigious Caldwell Partners Leadership Award from the Institute of Finance Professionals and the Deloitte/Management Magazine Executive of the Year Award in 2012.

RESOLUTION 2: ELECTION OF DIRECTOR

That Fiona Oliver be elected a director of the Company.

Fiona Oliver was appointed by the Board subsequent to the last Annual Meeting and offers herself for election. The Board has determined that Fiona is an independent director and unanimously recommends that shareholders vote in favour of her election.

Fiona Oliver, LLB, BA, CF Inst D

Fiona was appointed a Director in July 2021. She is a professional director, holding and having held governance roles across a range of business sectors including renewable energy, natural gas, technology, commercial property, professional services and financial services. She is a director (and Audit Committee Chair) of Gentrack Group Limited, the First Gas Group, BNZ Life Insurance Limited and BNZ Insurance Services Limited and Wynyard Group Limited (in liquidation). Fiona's Executive career was in the financial services sector in New Zealand and overseas. In New Zealand, her roles included Chief Operating

Officer of Westpac's investment arm, BT Funds Management, and General Manager of AMP NZ's Wealth Management division. In Sydney and London, Fiona managed the Risk and Operations function for AMP's private capital division. Prior to this, Fiona was a senior corporate and commercial solicitor in New Zealand and overseas, specialising in mergers and acquisitions.

RESOLUTION 3: RE-ELECTION OF DIRECTOR

That Abby Foote be re-elected as a director of the Company.

Abby Foote is retiring by rotation and offers herself for re-election. The Board has determined that Abby is an independent director and unanimously recommends that shareholders vote in favour of her re-election.

Abby Foote, LLB (Hons), BCA, CF Inst D, INFNZ (cert)

Abby was appointed a Director in June 2018 and is Chair of the Audit and Risk sub-committee of the Board. She is a professional director with over 13 years' governance experience, with qualifications in both law and accounting. Abby has experience in a range of senior management, finance, and legal roles, with a focus on corporate finance and commercial transactions. Abby is currently the Chair of Z Energy Limited and a director of Sanford Limited.

RESOLUTION 4: RE-ELECTION OF DIRECTOR

That Peter Kean be re-elected as a director of the Company.

Peter Kean is retiring by rotation and offers himself for re-election. The Board has determined that Peter is an independent director and unanimously recommends that shareholders vote in favour of his re-election.

Peter Kean, PMD Harvard

Peter was appointed a Director in July 2016. He brings to Freightways many years of senior executive experience with the Lion group of companies in both New Zealand and Australia. Peter's last executive roles were as Managing Director of Lion Nathan New Zealand and Managing Director of Lion Dairy and Drinks, based in Melbourne. Peter retired from Lion in 2014 and has since developed his career in governance. Peter is also a director of Sanford Limited and is involved in a number of private companies both in New Zealand and in Australia.

RESOLUTION 5: DIRECTORS' FEES

That the total quantum of the annual Directors' fee pool be increased by \$161,100 from an aggregate of \$696,045 to an aggregate of \$857,145, such aggregate amount to be divided amongst the Directors as they deem appropriate.

The Directors review fees annually to ensure the aggregate amount available for Directors' remuneration is adequate to allow Directors' fees to remain aligned with market levels. The Directors did not apply for any annual incremental adjustment to the aggregate pool of Directors' fees last year due to the impact of COVID-19, so the current fee levels have not been adjusted for two years. It should also be noted that last year during the first Covid lockdowns in New Zealand, directors took a 20% fee cut for a quarter.

Since the last increase, the number of Directors has also increased from six to seven (including the Chair). The Board considered the importance of ensuring diversity of thought and experience amongst the Directors.

This year, the Directors obtained independent market advice from Ernst & Young Limited (**EY**). A summary of EY's benchmarking report is attached, including an independence declaration from the EY engagement partner. The Directors propose to apply an increase this year which allows non-executive Directors to be paid at approximately or just below the median level of peer group market data presented in the EY report. The proposed increase also allows for members of Board committees, in particular the Chairs of the committees whose workload is higher and whose existing remuneration is currently significantly below the median of the peer group used by EY) to be paid at approximately or just below the median level of peer group market data presented in the EY report.

The increase in the aggregate fee pool requested of shareholders, which is below the amount recommended by EY, is 23%, with anticipated payments as follows:

		POOL Fees (per annum)		Percentage Increase
	Position	2021 \$	2022 \$	
Board of Directors	Chair	165,000	180,000	9%
	Director – NZ	93,000	100,000	8%
	Director – NZ	93,000	100,000	8%
	Director – NZ	-	100,000	8%
	Director – NZ	-	100,000	8%
	Director – AU	98,900	-	
Audit & Risk Committee	Chair	104,000	120,000	15%
People & Remuneration Committee	Chair	100,000	115,000	15%
Committee Work Pool (unallocated - only used if required)		42,145	42,145	
Total Annual Pool Limit		696,045	857,145	23%

Notes to Directors' Fees table above:

1. The specified fees are the total fees that were or are anticipated to be paid to each Director for each relevant period, including committee chair or committee member fees (as applicable).
2. The specified fees for 2021 were the fees anticipated to be paid prior to the Directors voluntarily accepting a fee reduction of 20% for one quarter in light of the impact of Covid 19.
3. Neither the Board Chair nor directors who are members of committees receive committee fees.
4. The "Director-AU" (Andrea Staines) retired with effect from 29 October 2020.

It should be noted that currently the aggregate annual fees paid to six directors amounts to \$611,000. The total amount of proposed fee increases the Board is contemplating paying going forward amounts to \$161,100 in aggregate above current levels. This would allow for the payment of the additional Director if deemed appropriate and would leave a balance of \$42,145 unused (4.9 percent of the aggregate increased fee pool) for any unforeseen and extraordinary work.

In accordance with NZX Main Board Listing Rule 6.3.1, the Directors and their Associated Persons are restricted from voting on this resolution.

RESOLUTION 6: AUDITORS

That the Directors are authorised to fix the Auditors' remuneration.

The present auditors of the Company are PricewaterhouseCoopers. Under the Companies Act 1993 they will continue in office.