

BOARD CHARTER

REVIEWED FEBRUARY 2024

BOARD CHARTER

The Board of Directors of Freightways Group 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 Group 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 and reporting against budget (including Financial Reporting and any applicable non-Financial Reporting);
- 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 (NZ) and the Work Health & Safety Act 2011 and related state legislation (Australia);
- Set measurable objectives against which to measure the Company's performance against its Diversity & Inclusion Policy;
- Set the strategy for the Company to manage the risks and opportunities associated with climate change and establish the ambitions of the company to contribute to the reduction of CO2 emissions and participate in action against global warming;
- Approve a set of metrics and targets for managing the Company's climate-related risks and opportunities, monitor progress against them and approve reporting of the same;
- 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 NZX Listing Rules, the Board will comprise no less than 3 Directors. The Board will comprise a mix of persons with:

- complementary skills appropriate to the Company's objectives and strategies and having regard to the Diversity and Inclusion Policy and any measurable objectives set by the Board; and
- not less than 30% of the Directors identifying as male, and not less than 30% identifying as female.

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 majority of the Board are to be independent directors, including the Board chair.

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 Table 2.4 of the NZX Corporate Governance Code.

Information about Director Independence will be disclosed in the Company's Annual Report in accordance with the standards set out in the NZX Corporate Governance Code.

TENURE & RE-APPOINTMENT

Directors will retire by rotation in accordance with the Company's Constitution and the NZX Listing Rules. Retiring Directors who are eligible may offer themselves for re-election.

The Board will consider, and advise the shareholders, whether it supports, or does not support, the re-election of each Director standing for re-election.

The Chair will facilitate a formal process to determine the support or otherwise, for Directors who offer themselves for re-election, with this to occur not less than two months prior to the date on which the Company advises shareholders of the closing date for nomination of Director elections.

Subject to continued Board and shareholder support, the normal term for Directors should be nine years or three terms from the first date of election by the shareholders, unless the Board and shareholders support a further term.

APPOINTMENTS

The Company will follow the below procedure when considering appointing a new Director to the Board under the Constitution or endorse to the shareholders that the shareholders approve the appointment of a new Director by ordinary resolution:

- The Company will open director nominations in accordance with the procedure set out in the NZX Listing Rules.

- The Board may consider the appointment of a new Director at any time.
- Candidates will be identified or assessed (as applicable) utilising any skills matrix adopted or developed by the Committee and adopted by the Board.
- Key information from identified candidates such as, their CV, biographical details, relevant experience, directorships held and other relevant information, must be provided to the Board for review.
- The Board will ensure that appropriate checks are undertaken to ensure the candidate is fit and proper to be appointed a Director, including (but not limited to) carrying out checks into the candidate's character, experience, education, criminal record, media checks and bankruptcy/credit record.
- The Board will make a preliminary assessment of the candidate's independence, having regard to the non-exhaustive factors set out under Recommendation 2.4 of the NZX Corporate Governance Code.
- Following the Board's assessment, the Board will determine whether to appoint the candidate as a Director or endorse the candidate for election by the shareholders.
- Any new Director will complete necessary appointment documentation, including entering into a written agreement, and will complete any appropriate Director induction process, as soon as practicable after their appointment.
- Directors appointed by the Board must retire at the next annual shareholder meeting as required by the NZX Listing Rules but may stand for election at that meeting.

REVIEW & DEVELOPMENT

The Board must:

- periodically review the terms of engagement of Board members other than remuneration; and
- develop a succession planning methodology and reviewing plans for Board Member development to ensure organisational safety with respect to succession planning.

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;
- ensure the efficient and effective management of all business risk, and the efficient and effective compliance with relevant legal and company policy requirements;
- recommend the inclusion of climate-related risks and opportunities in the Company's long-term strategy, the metrics and targets for managing those risks and opportunities and the Company's reporting on the same; and
- undertake detailed reviews of, and make recommendations for, the reporting of climate-related risk management, including the definition of scenarios and the measurement of potential financial impact.

PEOPLE & REMUNERATION

The Board has established a People & Remuneration Committee to, amongst other things:

- review annually the remuneration paid to Directors and senior executives of the Company;
- approve annually the remuneration paid to senior executives of the Company other than the CEO; and
- develop policies and make recommendations to the Board in respect of:

- I. diversity & inclusion, as part of maintaining the Company's performance culture; and
- II. succession planning for the CEO and senior management positions.

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.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

The Board will:

- (i) ensure it is appropriately informed about the climate-related risks and opportunities of the Company and that it has appropriate and up-to-date skills and competencies available to it to provide oversight of these;
- (ii) consider climate-related risks and opportunities in the development of the Company's strategy and will oversee the implementation of such strategy;
- (iii) set, monitor progress against, and oversee achievement of, metrics and targets for managing climate-related risks and opportunities; and
- (iv) approve the Company's reporting in relation to the above.

Climate-related risks and opportunities are 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; and
- People & Remuneration 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 and individual Directors against this Charter must be reviewed annually by the Chair 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.