

MAINFREIGHT POLICY AND GUIDELINES FOR ANTI-CORRUPTION AND ANTI-COMPETITIVE PRACTICES

INTRODUCTION

Mainfreight Limited is now a global company. We have built it through hard work, honesty, performance and determination. The integrity of our brand and the way we are perceived in the global market is of paramount importance to us. With the advent of the global economy, most countries have enacted anti-corruption laws, which we at Mainfreight welcome and endorse. As a global logistics company we are now trading in some countries in which corruption is rife and a way of life, but we must not forget that the corruption risk can be anywhere.

A. MAINFREIGHT'S ANTI-CORRUPTION POLICY AND GUIDELINES

All Mainfreight Team Members are required to comply with all applicable "anti-corruption" laws in all countries in which Mainfreight operates, including the U.S. Foreign Corrupt Practices Act ("FCPA"). Anti-Corruption laws may in certain circumstances extend Mainfreight's responsibilities under those laws to our agents within our network. Therefore we must demand from our agents a similar commitment of compliance with these laws.

I. PURPOSE

The purpose of this Policy is to ensure compliance by Mainfreight with the FCPA, New Zealand anti-bribery laws, and applicable anti-corruption laws of other countries in which the Company presently does, or intends to do, business.

The guidance which follows is not represented or intended to be an exhaustive explanation of all the specific provisions or intricacies of the various anti-corruption laws. Any questions regarding the applicability or effect of the FCPA, or any other complementary legislation should be immediately directed to your senior manager who will advise you or refer you to me (the undersigned) for further guidance.

It is an important part of our policy to ensure that all team members receive ongoing training in our Anti-Corruption policy.

II. REPORTING

All Mainfreight team members are expected to abide strictly by this policy and to immediately report any suspected violations to a senior manager, or in the event of a conflict, to a non-conflicted senior manager.

III. BACKGROUND

Most of the developed countries have adopted the OECD convention on Anti-Corruption and passed legislation to enforce. This includes most of the countries within which we do business.

The FCPA has far reaching measures that prohibit and prevent corrupt business practices by any US business organisation seeking or doing business in foreign countries, or any corporation doing business within the US.

Mainfreight endorses and adopts the FCPA guidelines as set out below as its guidance has been the basis for most Anti-Corruption legislation that has been passed by convention member countries.

IV. ANTI-BRIBERY PROVISIONS

- Giving, promising, authorizing to pay or offer, or offering money or “anything of value,” with corrupt intent;
- Directly or indirectly to a “foreign official”;
- With the intent of influencing an official act or decision, to obtain or retain business or obtain an improper business advantage.

Anything of value has been interpreted to include monetary bribes, as well as offer or gift of:

- Stocks, or other forms of interest in a business venture
- Gifts over a nominal value
- Excessive entertainment
- Charitable contributions made at the request of a government official
- Discounts on services not readily available to the public
- Offers of employment, including to friends and family of government officials
- Assumption or forgiveness of debt
- Payment of travel expenses, and
- Personal favours (e.g., Golf, Other outings, Tickets to sporting events, Loans).

A **Foreign Official** has been interpreted to include any officer or employee of a foreign government or any department, agency, or “instrumentality” of a foreign government, regardless of rank or function, including:

- Officers and employees of foreign state-owned or controlled enterprises, such as employees of national airlines or employees of state owned banks;
- Customs and Port officials;
- Employees of public international organization (e.g., the World Bank);
- Uncompensated honorary officials, if officials can influence the awarding of business; and
- Members of royal families who have proprietary or managerial interests in industries or companies owned or controlled by the government, or who can influence the awarding of business.

Corrupt Intent. A corrupt practice may be defined as “an intent or desire to wrongfully influence a recipient.” You must use your common-sense and rely on your integrity. Examples of how a corrupt practice may result in “obtaining or retaining business” on behalf of Mainfreight:

- The winning of a contract
- Influencing the procurement process
- Circumventing the rules of a country in the importation of products, i.e. facilitation payments to speed up border crossings or customs clearance
- Gaining access to non-public tender information
- Influencing the adjudication of law suits or enforcement actions
- Avoiding contract termination by corrupt means.

ALL MAINFREIGHT TEAM MEMBERS MUST ABIDE BY THIS POLICY.

V. COMPLIANCE CERTIFICATIONS.

To avoid being held liable for corrupt third-party payments, Mainfreight, and anyone acting on its behalf, must exercise due diligence, care and vigilance at all times and take all necessary precautions to ensure that business relationships are formed only with reputable and qualified partners, agents and representatives.

- In negotiating any business relationship or agency arrangement it is Mainfreight's practice to require potential partners, agents or representatives to execute a certification of compliance to our guideline policies in a form acceptable to Mainfreight.

VI. RECORDKEEPING.

All transactions involving Mainfreight's funds or assets must be recorded timely and accurately and in reasonable detail, and disclose all aspects of each transaction to satisfy regulatory auditors.

B. MAINFREIGHT'S ANTI-COMPETITIVE PRACTICES

Most countries have now put in place Anti-Competition laws.

Competition law protects competition between companies and persons to ensure that they act ethically towards each other, the market, and customers.

The idea is that competition delivers lower prices, increased choice, and better service to customers.

It also ensures that businesses remain innovative.

A common example of anti-competitive practice is when you enter into an arrangement to sell a product or service with your competitor at the same price.

Mainfreight demands from its team members at all times honesty and integrity and a scrupulously "clean" approach to the way we conduct our business.

We support fair competition.

A common trap:

Any formal or social contact with our competitors must not lead directly or indirectly to what might be construed by a regulator as a collusive arrangement that has the effect or likely effect of substantially lessening competition in the market.

Whilst this may appear to be draconian, it is a way in which information may be exchanged in an unlawful manner to rig the market.

This is the type of evidence that a regulator will look for.

Examples of anti-competitive behaviour are:

- Price fixing
- Market collaboration
- Output restriction
- Bid or tender rigging.

SUMMARY

It is part of Mainfreight's culture to encourage *without fear* open, free and frank discussion across all members of our team as we must all do our utmost to defend the integrity of our business through vigilance and to achieve this it is the *clear* duty of each of us to report any activity that may be suspicious. Nothing less will be expected of you.

Carl Howard-Smith
General Counsel