

## **MAINFREIGHT LIMITED (the Company)**

### **BOARD CHARTER**

This charter sets out the roles and responsibilities of the Board of Directors of Mainfreight Limited (the Board).

#### **Duties and Responsibilities**

The Board has responsibility for the proper direction and control of the Company's affairs and activities, with a view to adding long-term value to the Company's shares for the benefit of its shareholders. In practice, the Board delegates the day-to-day leadership and management of the Company to the CEO/Group Managing Director, and through him or her, to the Company's management team (Management). The CEO/Group Managing Director also has responsibility to act as the principal representative of the Company, overseeing the interface with the public.

In fulfilling its role, the Board will:

- Ensure that the Company's goals are clearly established and that strategies are in place to achieve these;
- Monitor Management's performance in achieving those goals;
- Oversee the Company's financial position and its ability to meet its debts and other obligations as they fall due, and ensure that the Company's financial statements are true and fair and otherwise conform with law;
- Identify and oversee control of the Company's business risks;
- Ensure that the Company adheres to high standards of ethics and corporate governance, in line with the applicable laws and regulations in the jurisdictions in which it operates;
- Ensure timely and effective communication with shareholders, aiming to identify and address any issues of concern;
- Appoint the CEO/Group Managing Director, setting the terms of his or her employment contract;
- Keep the performance and composition of the Board and its sub-Committees under review, to support ongoing delivery of the Company's goals and objectives, and to ensure Board succession, including the appointment of the Chair.

## **Directors' Responsibilities**

Directors are expected to participate fully, frankly and constructively in Board discussions and other activities, and to bring the benefit of their particular knowledge, skills and abilities to the board table. The Company requires of its Directors that they restrict any other business interests they have, to ensure they are able to give the necessary time commitment to the Company.

Directors must at all times comply with this Charter, with the requirements of New Zealand Exchange Limited (NZX), and with the Company's policies and procedures, including:

- The Code of Ethics;
- The Securities Trading Policy & Guidelines;
- The Policy & Guidelines for Anti-Corruption and Anti-Competitive Practices.

The Board has adopted a continuous disclosure policy to assist Mainfreight to comply with its continuous disclosure obligations under the NZX Main Board Listing Rules.

## **Board Composition and Procedures**

In accordance with the Company's constitution, the Board will comprise not fewer than 3 and not more than 10 Directors.

The Board will comprise a mix of individuals with the knowledge, skills and experience to further advance the Company's goals and strategies. The Board is responsible for setting the criteria for the selection or nomination of new Directors and for their appointment. In considering potential candidates, the Board will undertake appropriate checks as to the candidate's character, experience, education, criminal record and bankruptcy, and will consider if the candidate would be an independent Director. The Board will ensure that key information about the candidate is provided to the shareholders to assist their decision making about whether or not to elect or re-elect the candidate.

The Board normally holds five full Board Meetings per year; three of these are held over two- to three-day periods in operational regions of interest and concern; with the

other two meetings being shorter, and held primarily to review performance and strategy. Additional meetings are held for the purposes of considering interim/final dividends and approving financial results for release to the market, and as otherwise required.

## **Board Committees**

The Board will establish Committees to focus on specified areas of the Board's responsibility and facilitate efficient decision-making, as is considered desirable or appropriate. Current standing committees, operating under their own charters, are:

### Audit Committee

The Audit Committee is responsible for ensuring the Board is regularly informed about significant financial matters, providing recommendations to the Board as necessary, for the appointment and removal of the external auditor, directing and monitoring the audit function and reviewing the adequacy and quality of the annual audit process. The Committee provides the Board with additional assurance regarding the accuracy of financial information for inclusion in the Annual Report, including the Financial Statements. The Committee is also responsible for ensuring that the Company has an effective risk control framework and internal control mechanisms for proper management of the Company's affairs.

### Remuneration Committee

The Remuneration Committee is responsible for reviewing the remuneration and benefits of Management and Directors and makes recommendations to the Board. The Committee also reviews the Company's Remuneration Policy, and monitors and reports on general trends and proposals concerning employment conditions and remuneration.

### Takeovers Code

In addition, the Board is aware of its responsibilities in the event that a Notice of Takeover (in accordance with the Takeovers Code) is received by the Company. The Company's Constitution includes provisions to comply with NZX and legislative requirements with respect to Takeovers.

## **Whistle-blowing**

The Board has oversight of the arrangements by which employees of the Company may, in confidence, raise concerns about possible impropriety or wrongdoing by the Company, and the protections that are afforded to those who make such disclosures as set out in the Company's Whistle-Blower Policy.

## **Training and Information**

Directors will, upon initial appointment, be provided with:

- An introductory pack, with detailed information about the Company, its history and operations;
- Copies of all Company policies and associated materials;
- Induction and training to ensure the new Director has the knowledge and skills to contribute effectively at the Board level.

Directors are entitled to request information in relation to the operations of the Company.

All information received by Directors in relation to the Company remains the property of the Company and as such is covered by the Company's Code of Ethics and related policies.

Ongoing education, covering the Company's business, together with any changes in corporate conduct and legal compliance, ensures that Directors are able to positively contribute to the responsibilities of the Board on an ongoing basis.