

Non-Executive Directors' Fees Review Summary Report

Freightways Group Limited
5 September 2025



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Independence declaration

Freightways Group Limited (Freightways) has engaged Ernst & Young Limited (EY) to prepare a report in relation to their Non-Executive Directors' (NED) fees. We confirm that our report has been prepared independently and is not subject to any influence from the management or any Board member of Freightways or any third party.



Una Diver
Partner - Reward
Ernst & Young Limited
5 September 2025

Summary of findings

The findings in this report summarise the market positioning of Freightways' Board Chair and NED base fee policies along with Committee Chair and member fees compared to an agreed comparator group of New Zealand organisations. *Table 3* on the following page outlines the details of the organisations that comprise the comparator group.

The market data pertaining to fee practices within the comparator group has been sourced from EY's Directors' fees database, supplemented with data from the most recent financial year end reports. The information from annual reports is publicly available information.

A summary of Freightways' current fees and relevant market data is provided in the table below.

Role	Freightways current fee (\$)	Market data		
		Median (\$)	Comparative ratio (%)	Sample size (n)
Board Chair	185,000	200,000	93%	13
NED	100,000	100,000	100%	13
Average of actual NED fees paid	112,467	129,005	94%	13
Fee pool	965,000	1,041,475	93%	10
Audit and Risk Committee Chair	23,000	20,000	115%	13*
Audit and Risk Committee Member	14,000	11,700	120%	10*
People and Safety Committee Chair	19,000	20,000	95%	13**
People and Safety Committee Member	10,000	10,000	100%	10**

***Audit and Risk Committee practice:** 12 organisations within the comparator group operate an Audit and Risk committee, while one organisation (Goodman Property Trust) operates an Audit Committee. All 13 organisations pay committee fee to their Audit and Risk Committee Chair, and 10 pay a committee fee to their Audit and Risk Committee members.

****People Committee practice:** All organisations within the comparator group operate a People Committee (Remuneration Committee or similar). 12 organisations pay a committee fee to their People Committee Chair, and 10 organisations pay a committee fee to their People Committee members.

Safety Committee practice: Only two organisations within the comparator group operate a Safety Committee as a separate committee from their People Committee.

Time commitments and Board composition

The table below outlines the number of NEDs on Boards in the comparator group, as well as the number of paid committees, Board, Audit and Risk Committee and People Committee meetings per annum.

Role	Freightways	Lower quartile	Median	Upper quartile	Sample size
Number of NEDs	6	6	6	7	13
Number of paid committees	2	2	3	3	13
Number of Meetings					
Board meetings	8	8	10	13	13
Audit and Risk Committee meetings	7	4	5	6	13
People Committee meetings	3	4	4	5	12

Comparator group

The comparator group outlined in the table below was agreed with Freightways on 11 June 2025.

Table 3: Comparator group (n = 13)			
Organisation	Market capitalisation*	Revenue	Total assets
	(\$m)	(\$m)	(\$m)
Fletcher Building Limited	3,655	7,683	8,408
Chorus Limited	3,577	1,010	6,012
Goodman Property Trust Limited	3,001	244	4,726
Summerset Group Holdings Limited	2,819	271	8,066
Genesis Energy	2,526	3,048	6,026
Ryman Healthcare Limited	2,509	688	12,815
Air New Zealand Limited	2,050	6,752	8,548
Manawa Energy Limited	2,009	473	2,070
Precinct Properties New Zealand Limited	1,857	251	3,699
Kiwi Property Group Limited	1,463	245	3,300
Gentrack Group Limited	1,327	170	288
Property for Industry Limited	1,110	115	2,086
Briscoe Group Limited	1,049	791	692
Lower quartile	1,463	245	2,086
Median	2,050	473	4,726
Upper quartile	2,819	1,010	8,066
Freightways	1,929	1,209	1,394
	Market capitalisation is aligned to the median, with a comparative ratio against the median of 94%.	Revenue is positioned above the upper quartile, with a comparative ratio against the median of 256%.	Total assets are positioned below the lower quartile, with a comparative ratio against the median of 29%.

*Market capitalisation as of 14 May 2025: the date that market financial metrics were sourced to determine the agreed comparator group.

Considerations

When interpreting the market data in this report and applying it to any changes to fee policies, Freightways may wish to consider the following:

- Freightways' market capitalisation is aligned to the median of the sample.
- While current fees are generally in line with the market median, we note that Freightways':
 - Chair fee policy is on the lower end of the market median (a comparative ratio of 93%). When determining whether an increase to the Chair fee is appropriate, Freightways may also consider the number of Board meetings held each year is on the lower end compared to market. I.e., Freightways holds 8 Board meetings per year compared to the market median of 10.
 - The Audit and Risk Committee Chair and members are paid slightly above the median, noting the number of Audit and Risk Committee meetings Freightways hold each year is on the higher end compared to the market (Freightways holds 7 compared to the market median of 5).
- Freightways operates less paid committees than the market (Freightways operates 2 compared to the market median of 3). This means that aggregate actual fees are lower than the market.
- We understand that Freightways review their NED fees every two years, so fee increases may need to take account of the likely moves in the next two-year period.
- If Freightways elects to make any changes to their fee policies, it would be prudent to seek approval for a subsequent increase to the current fee pool.

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Our report may be relied upon by Freightways Limited for the purpose of understanding the remuneration market for roles only pursuant to the terms of our engagement letter dated 13 June 2025. We disclaim all responsibility to any other party for any loss or liability that the other party may suffer or incur arising from or relating to or in any way connected with the contents of our report, the provision of our report to the other party or the reliance upon our report by the other party.

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