

NZX/ASX Announcement

27 February 2026

Amendment to Long-Term Incentive Scheme (LTI) and Issue of Share Rights and Shares under LTI

The purpose of Freightways executive long-term incentive scheme is to better encourage long term performance and promote employee retention. Vesting of the share rights under the LTI has historically been based on the achievement of the following two total shareholder return (TSR) hurdles being met over a 3-year vesting period:

- i. 50% of the share rights are subject to an absolute TSR, whereby half these share rights vest if Freightways outperforms the NZX50 index median, pro-rated up to 100% vesting at the 75th percentile of the index constituents; and
- ii. 50% of the share rights are subject to Freightways' relative TSR target of profit performance above the cost of capital, as set by the Board of Directors (relative TSR target).

The Board has resolved to replace the second limb ((ii) above) of the LTI scheme with an absolute TSR target determined by reference to a cost of equity reference because it does not consider the current relative TSR measure achieves the intended effect of the scheme to encourage and reward long term performance. In addition, the Board has obtained external market benchmarking on LTI metrics and measures and believes a more commonly used metric and one that is simpler to understand is more appropriate. The benchmarking work has also guided the Board in its determination of the appropriate cost of equity threshold to measure absolute TSR.

The new absolute TSR target contemplates the following:

50% of the Share Rights are subject to an absolute TSR measured against a fixed annualised return threshold, whereby half these Share Rights vest when it equals 10.3%, pro-rated up to 100% vesting for achieving a TSR equal to or above 11.3%, over the vesting period.

The Board has resolved that all existing share rights (comprising those outlined in capital change notices issued on 1 May 2024 and 6 December 2024) will be amended to replace the second limb with the new absolute TSR target and that the share rights to be issued on or about the date of this announcement will be issued with the revised vesting conditions.

The Board has also commissioned external advice to review the calculation required to measure the relative TSR target for share rights vesting on 30 June 2024 (FY24) and 30 June 2025 (FY25). That review identified that it was reasonable for the Board to adopt a lower weighted average cost of capital multiplier in the relevant calculation which would have resulted in a greater number of share rights vesting at the end of FY24 and FY25. Accordingly, the Board has determined to issue an additional 59,190 ordinary shares to LTI participants to reflect the revised vesting determination.

Capital change notices in respect of the issue of share rights for FY26 and the issue of ordinary shares in connection with the vesting update accompany this announcement.

For further information please contact:

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