

TIL LOGISTICS GROUP LIMITED

(TIL Logistics)

Code of Ethics

The board of directors of TIL Logistics (the Board) has on 6 December 2017 adopted the following Code of Ethics

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1. General

This Code of Ethics is the framework of standards by which the directors, employees, contractors for personal services of TIL Logistics and its related companies (“**TIL Logistics people**”) are expected to conduct their professional lives and has been approved by the Board. This Code is not intended to prescribe an exhaustive list of acceptable and non-acceptable behaviour, rather it is intended to facilitate decisions that are consistent with TIL Logistics’ values, business goals and legal and policy obligations.

TIL Logistics’ directors and managers are committed to:

- (a) leading in accordance with these standards of ethical and professional conduct; and
- (b) ensuring that such standards are communicated to the people who report to them.

2. **Behaviours and responsibilities**

The actions and statements of TIL Logistics people, whether to customers, suppliers, competitors, or employees, can impact on the way people see TIL Logistics and whether they choose to do business with us. TIL Logistics people will:

- (a) undertake their duties in accordance with TIL Logistics' values;
- (b) conduct themselves in a way that demonstrates that their honesty is beyond question and will not behave in a manner that has the potential to bring TIL Logistics' image into disrepute;
- (c) deal honestly with TIL Logistics' other people, professional advisers and stakeholders;
- (d) not enter into transactions or make promises on behalf of TIL Logistics that TIL Logistics cannot or does not intend to honour;
- (e) undertake their duties with care and diligence;
- (f) value individuals' differences and treat people in the workplace with respect in accordance with TIL Logistics' philosophies of equal employment opportunities, and anti-harassment and discrimination policies;
- (g) to the best of their ability, use reasonable endeavours to ensure that TIL Logistics' records and documents, including financial reports, are true, correct and conform to TIL Logistics' reporting standards and internal controls; and
- (h) not accept or offer bribes or improper inducements to or from anyone.

TIL Logistics people acknowledge that they have responsibilities to:

- (a) shareholders of TIL Logistics and the financial community generally; and
- (b) individually to clients, customers and consumers of TIL Logistics.

3. **Conflicts of interest**

A conflict of interest occurs when an individual's interests interfere, or appear to interfere, with TIL Logistics' interests. TIL Logistics expects TIL Logistics people to act in TIL Logistics' best interests at all times. TIL Logistics people will not without the prior consent of TIL Logistics:

- (a) engage in any other business or commercial activities which would conflict with their ability to perform their duties to TIL Logistics;
- (b) support a political party or organisation other than in a personal capacity; and
- (c) engage in any other activity which could conflict with TIL Logistics' interests.

The facts of each case will determine whether there is an actual or potential conflict.

Where possible, directors should avoid conflicts of interest. In the event that an actual or potential conflict of interest arises, the director should declare the conflict and, in accordance with TIL Logistics' Constitution, that director is not counted in the quorum and shall not vote on the matter. Each director will fully disclose all relationships they have with TIL Logistics and relevant private or other business interests to the Board, in order that the Board may assess the director's independence.

Any related party transactions are reviewed and approved at Board level, and if necessary, entered into TIL Logistics' interests register.

Schedule 1 outlines examples of the most common types of conflicts of interest, including: Business Interests, Indirect Interests and Relationships, Use of Information, Corporate Opportunities, and Employment of Related Individuals.

4. **Gifts, Entertainment, Bribery and Other Payments**

"Gifts" and "personal benefits" can include accommodation, goods, services, discounts and special terms on loans. TIL Logistics people will not accept gifts or personal benefits of any value from external parties if it could be perceived that such acceptance might compromise or influence any decision by TIL Logistics.

Entertainment is an accepted business custom when conducted within proper limits. Participation in business-related functions, including the giving and receiving of meals on occasion, is a normal and permissible business practice. These and other forms of business-related entertainment are permissible if the value and frequency of such entertainment is reasonable and appropriate and otherwise meets the criteria for gift-giving in Schedule 1.

Moderation and appearances are key. When in doubt, TIL Logistics people from a third party in connection with TIL Logistics' operations should consult with their manager or TIL Logistics' Ethics Officer as to whether they may accept/provide gifts and entertainment. In summary, nothing should be solicited or accepted which would impair or appear to impair you from acting in the best interests of TIL Logistics.

Koha is a gift or contribution given on appropriate occasions made in the context of a Maori (or another culture's) custom. Koha may only be given if it is culturally appropriate and there is no expectation that the recipient provides something in return.

Any gift or koha given or received by TIL Logistics people to the value of \$200 or more is required to be disclosed to the Ethics Officer and recorded in the Gift Register.

More details on the giving and receiving of gifts and entertainment are included in Schedule 1.

TIL Logistics does not, under any circumstances, tolerate or condone the payment or receipt by TIL Logistics people or a representative of TIL Logistics of any sum of money in the nature of an undisclosed commission, kickback, or bribe in connection with obtaining or retaining business, a contract, or an award.

The use of TIL Logistics funds, property or anything else of value (including providing free services) for any purpose which would be in violation of this policy is prohibited.

5. **Corporate opportunities**

TIL Logistics expects its people to advance its legitimate interests when the opportunity to do so arises. TIL Logistics people will not:

- (a) take for themselves any opportunity discovered through the use of TIL Logistics property, information or position;

- (b) use TIL Logistics property (including TIL Logistics' name), information or position for personal gain;
- (c) compete with TIL Logistics; or
- (d) trade in shares, or any other kind of property, based on information that comes from their roles for TIL Logistics if that information has not been reported publicly.

6. **Confidentiality**

TIL Logistics people will maintain and protect the confidentiality of information entrusted to TIL Logistics about work colleagues, stakeholders and TIL Logistics' business and financial affairs, except where disclosure is allowed by TIL Logistics or is required by law.

7. **Proper use of TIL Logistics' assets and information**

TIL Logistics people have a duty to protect its assets from loss, damage, misuse, waste and theft. TIL Logistics' assets include intellectual property, information, systems and networks.

TIL Logistics people will:

- (a) only use TIL Logistics' assets for lawful business purposes authorised by TIL Logistics; and
- (b) only create, and only retain, information and communications required for business needs or to meet legal obligations.

8. **Fair business practices**

It is the policy of TIL Logistics to comply fully with the fair business laws of all countries in which we do business. TIL Logistics is committed to the public policy goals embodied in these laws, including those relating to the protection and promotion of competition and free enterprise.

The requirements of competition laws fall into two main categories:

- (a) collective behaviour resulting from relationships between competitors such as Relationships with Competitors, Price Fixing, Territorial Allocation and Customer Allocation; and
- (b) unilateral behaviour involving misuse of market power.

Situations which raise concerns in relation to any fair business practices must be discussed immediately with TIL Logistics' Ethics Officer, being TIL Logistics' Chief Financial Officer.

Further detail on the ethical conduct of TIL Logistics people in regards to Fair Business Practices is outlined in Schedule 1.

9. **Fair employment practices**

TIL Logistics is an equal opportunity employer. Our commitment to providing equal opportunity to all is a primary consideration in the successful operation of our business. Through fair and equal treatment of all people, TIL Logistics will continue to protect the interests of our people, our customers and our shareholders.

We are committed to maintaining a diverse work environment that permits every employee to be free from sexual, racial and any other form of harassment by any co-worker, supervisor or other person. All

employees must be allowed to work in an environment free from sexual or racial overtones and intimidation.

TIL Logistics will act affirmatively in accordance with the Human Rights Act 1993. This Code of Ethics is in line with TIL Logistics' Diversity Policy.

10. Compliance with laws and policies

TIL Logistics expects that TIL Logistics people will act in accordance with all relevant laws, rules and regulations when carrying out their role for TIL Logistics. Further, TIL Logistics people will familiarise themselves with, and comply with, TIL Logistics' policies, frameworks and processes that are relevant to their duties at all times.

11. Delegated authority

The Board delegates the responsibility of managing the business and affairs of TIL Logistics to the Chief Executive Officer. The Chief Executive Officer in turn delegates to other levels of management certain rights to make operational and financial decisions within defined limits. TIL Logistics people will act in accordance with any delegated authority framework in place from time to time.

12. Additional director responsibilities

Directors are required to:

- (a) undertake appropriate training to remain current on how to best perform their duties as directors of TIL Logistics;
- (b) give proper attention to all matters put before them;
- (c) meet their obligation to act honestly and in the best interests of TIL Logistics as required by law;
- (d) have an understanding of the regulatory, legal, fiduciary and ethical requirements affecting directors;
- (e) be familiar with up to date business management techniques and related ethics;
- (f) have an awareness of special wider cultural issues that may impact on TIL Logistics' business; and
- (g) not support a political party or organisation other than in a personal capacity, without the prior consent of TIL Logistics. TIL Logistics' policy is that political donations will not be made.

13. Information for the Board

TIL Logistics' management team shall provide the Board with information of sufficient content, quality and timeliness as the Board considers necessary to enable the Board to effectively discharge its duties.

14. Reporting concerns

If you become aware of a breach of TIL Logistics' Code of Ethics or any breach of a legal obligation or TIL Logistics policy, you are responsible for reporting it to your manager or the Ethics Officer, as appropriate. If this is not appropriate in the circumstances, you should report the breach to the:

- (a) Chair of the Board; or
- (b) Chair of the Risk Assurance and Audit Committee.

Directors will report any illegal or unethical behaviour, of which they become aware, to the Chair of the Board.

Through its Whistle Blower Policy, TIL Logistics recognises the protection afforded staff under the Protected Disclosures Act 2000 and will support employees who, acting in good faith, report any serious wrongdoing. TIL Logistics will, wherever possible and practicable, make every effort to maintain the confidentiality of the reporting staff member.

The Board will fully support staff who make a disclosure under TIL Logistics' Whistle Blowing Policy, and will, to the best of their endeavours, seek to protect the identity of the staff member making the disclosure. There may be situations however where the proper investigation of the matter inadvertently identifies the reporter or requires his or her identification.

If you suspect that a breach of the delegated authority rules or limits has occurred you should advise your manager and the delegated authority holder whose responsibility it should have been to approve the transaction, as soon as possible.

15. **Disciplinary Measures**

A breach of this Code of Ethics will be considered sufficient grounds for disciplinary action, including termination of employment, and may also be grounds for legal action against such TIL Logistics people, including, but not limited to, seeking reimbursement for TIL Logistics of any funds or amounts for which TIL Logistics may become liable. In addition, in some cases (including in relation to Competition Law) TIL Logistics people may expose themselves to personal liability to competitors and/or regulatory authorities as a result of breaches of this Code of Ethics.

16. **Responsibilities**

The Ethics Officer is the Chief Financial Officer of TIL Logistics.

The Ethics Officer, along with the senior leadership team, is responsible for encouraging and monitoring compliance with the Code of Ethics and will report to the Risk Assurance and Audit Committee on an annual basis or as needed.

The Board is responsible for encouraging and overseeing adherence to TIL Logistics' Code of Ethics across the organisation.

TIL Logistics' subsidiary business managers will be responsible for the enforcement of, and compliance with, this Code of Ethics within their specific areas of supervisory responsibility, including necessary distribution and communication to ensure employees' knowledge and compliance.

Employing managers are responsible for ensuring that new employees receive and understand this Code of Ethics at the time they are hired.

TIL Logistics' Chief Financial Officer is responsible for managing disclosure in relation to this Code of Ethics via the Gift Register, the Interests Register and in the TIL Logistics' Annual Report.

Questions regarding clarification of any provision of this Code of Ethics should be directed to the Ethics Officer.

The Ethics Officer is responsible for responding to alleged breaches of the Code of Ethics and directing investigations, training or disciplinary actions as required.

17. **Review and Approval of the Code of Ethics**

Reviewed and Approved: By the Board 6 December 2017

Next review date 6 December 2019

Schedule 1: Examples of Conflicts of Interest and Unfair Business Practices

Business Interests

- (a) Any consulting or employment relationship with, or acting as a director, officer, partner, agent or representative of, a competitor, supplier, or customer of TIL Logistics without specific written approval from TIL Logistics.
- (b) Any ownership interest in any competitor, supplier or customer of TIL Logistics (an employee may own less than 5% of the capital of such other business entity so long as the employee's duties do not involve control over material transactions between TIL Logistics and that organisation).

Indirect Interests and Relationships

- (c) Making or influencing a decision relating to TIL Logistics engaging in business with a relative or associate of the staff member, or an organisation in which the relative or associate either has an ownership interest or a senior management position;
- (d) Deriving an indirect benefit from a TIL Logistics transaction involving a relative or associate; or
- (e) Failing to disclose to the appropriate TIL Logistics officer any situation in which a relative or associate of the TIL Logistics person either has an interest in any TIL Logistics transaction or has an ownership interest in, or a senior management position with a competitor, supplier or customer.

Information Usage

- (f) Using or disclosing, whether or not for personal benefit or for the benefit of others (including relatives), confidential information (including all information not in the public domain) concerning any aspect of TIL Logistics' business acquired as a result of the staff's employment relationship;
- (g) Disclosing such information to any person or entity except as required in the performance of TIL Logistics' duties or as expressly authorised by TIL Logistics. Staff can be held liable to TIL Logistics for any benefit gained from improper use of such information or any damages sustained by the TIL Logistics as a result of improper disclosure of such information. (Refer also to the Securities Trading Policy.)

Corporate Opportunities

- (h) Appropriating or diverting to any other person or entity a business or financial opportunity which the staff member becomes aware of or develops as a result of information or expertise derived in the course of employment and which the employee knows, or reasonably could anticipate, TIL Logistics would have an interest in pursuing.
- (i) Any situation, activity, interest or relationship which may involve a conflict of interest must be reported immediately in writing to your manager or the Ethics Officer.

Employment of Related Individuals

- (j) Conflicts of interest may arise when two staff members are related or in a relationship. Accordingly, TIL Logistics discourages any employment or promotion decision which may cause such a conflict to arise. Nevertheless, where management believe that such employment is in the best interests of TIL Logistics, employment of two related staff members or staff members who are in a relationship can occur as long as it has been approved by the subsidiary Board and such approval has been formally documented.

Gifts and Entertainment

Giving Gifts and Entertainment

- (k) TIL Logistics people shall not offer or make gifts or extend favours, either directly or indirectly, to those with whom we do business. Advertising novelties, promotional items of nominal value, or modest gifts which are in accord with generally accepted and customary business practices may be provided if:
 - (i) they are in compliance with the policies and standards of conduct of the organisation employing the recipient;
 - (ii) they are given only occasionally;
 - (iii) they are unsolicited by the recipient;
 - (iv) they do not give even the appearance of unduly influencing or obligating the recipient or of providing an improper advantage to TIL Logistics; and
 - (v) their subsequent disclosure would not be embarrassing to TIL Logistics or to any of the parties involved.

Accepting Gifts and Entertainment

- (l) Advertising novelties, promotional items of nominal value, or modest gifts which are in accord with generally accepted and customary business practices may be received subject to the same criteria for gift giving identified in this Code of Ethics.

Fair Business Practices

Collective Action - Relationships with Competitors

- (m) An agreement (express or implied), an arrangement, or "general understanding" between competitors to fix prices or bids, to allocate customers or territories, reduce the competitiveness of a third party or restrict access by others to goods or services breaches competition laws.

Price Fixing

- (n) It is a violation of the law and this Code of Ethics to enter into any understanding or agreement with a competitor or engage in any discussions with a competitor concerning prices and price related information, including:
 - (i) price levels;
 - (ii) pricing methods or policies;
 - (iii) the fact that a price increase will or will not occur and its timing;
 - (iv) bids (including the TIL Logistics' intent to bid or not bid a particular contract); or
 - (v) profits or profit margins.
- (o) TIL Logistics' prices and bids are to be arrived at independently within TIL Logistics and without consultation of any kind with a competitor. Failure to comply with this rule can expose TIL Logistics and the individuals involved to significant fines and other penalties.

Territorial Allocation

- (p) It is a violation of the law and this Code of Ethics to agree to divide or allocate territories with a competitor. This means, for example, that TIL Logistics cannot agree that one route will be serviced by TIL Logistics and another route be serviced by a competitor. The geographic territory in which TIL Logistics will provide service must be determined solely by TIL Logistics personnel without any discussion or agreement with competitors. The same rule applies to the “sharing” of work over time - for instance agreeing not to tender in relation to one tender round in return for a “turn” next time round.

Customer Allocation

- (q) It is a violation of the law and this Code of Ethics to agree to divide or allocate customers with a competitor. This means, for example, that TIL Logistics cannot agree to refrain from taking or soliciting customers. Communications between TIL Logistics and competitors regarding the selection, retention or solicitation of customers must be strictly avoided. It is also a breach of the law to seek to induce customers of a competitor to breach their contracts by terminating a fixed term contract early.

Appearances

- (r) It is a violation of this Code of Ethics to discuss the above subjects with a competitor even though such conversations may fall far short of an "understanding" or agreement. Such discussions may create an appearance of impropriety. To avoid the legal risks associated with dealings between competitors, it is TIL Logistics' policy to eliminate contact with competitors whenever possible (except for legitimate purposes) and to ensure that TIL Logistics people:
 - (i) confine their discussions to the appropriate and necessary topics relevant to the purpose of the meeting. If during such a meeting a topic prohibited by this Code of Ethics arises, TIL Logistics people must immediately object to the discussion, leave, and report the matter to their supervisor and the Ethics Officer; and
 - (ii) do not discuss bids or bid specifications with a competitor except in open pre-bid meetings conducted by a representative of the prospective customer.
- (s) Where TIL Logistics has affiliated itself with competitors through lawful joint venture agreements, or valid subcontract agreements, the limited scope of such arrangements must be clearly defined and understood by TIL Logistics people and business not within the defined scope of such an arrangement must not be discussed with the competitor.

Unilateral Action – Taking Advantage of Market Power

- (t) Competition laws generally prohibit a company with a substantial degree of market power from taking advantage of, or using, that power to restrict entry by competitors into a market, prevent or deter competitors from taking any action or eliminating competitors from any market. It is therefore TIL Logistics' policy:
 - (i) not to engage in predatory or below cost pricing;
 - (ii) not to target or "blitz" the customers of any particular competitor with the objective of driving the competitor out of business; and

- (iii) not to use exaggerated "power" language which erroneously suggests "dominance" or "control" of a marketplace.

Other Fair Business Laws

- (u) To be one of New Zealand's leading freight and logistics providers, we must continue our commitment to integrity in the marketplace. It is contrary to TIL Logistics' policy to engage in any unfair or dishonest conduct including any of the following practices:
 - (i) misrepresenting any material fact with intent to deceive. Be truthful and accurate in all representations made on behalf of TIL Logistics. For example, never misstate to a customer the reason for, or amount of, a price increase;
 - (ii) making defamatory statements such as false statements regarding the business solvency, lack of competency, or lack of integrity of others;
 - (iii) disparaging another company's products or services by making false statements concerning the quality of their products or services;
 - (iv) interfering with contracts by wrongfully inducing a customer to breach a contract with one of our competitors. Do not "coach" or provide advice to a potential customer concerning the provisions of the customer's contract with another provider;
 - (v) misappropriating trade secrets or knowingly misusing a competitor's confidential information;
 - (vi) not entering into transactions or promises on behalf of TIL Logistics that TIL Logistics does not intend to honour; and
 - (vii) otherwise competing unfairly in the marketplace. "Unfairness" has a broad definition ranging from any of the practices described above to improperly raiding key employees or ignoring valid non-compete obligations. To avoid even the appearance of unfairness, all business strategies should be guided by sound ethical values.