



EROAD Related Party Transactions Policy

1.0 INTRODUCTION AND PURPOSE

This policy sets out EROAD's process for entering transactions with related parties. This is in accordance with the NZX Listing Rules, ASX Listing Rules, and applicable laws. EROAD is committed to responsible corporate governance, which includes governance over related party transactions.

2.0 RELATED PARTIES

Broadly speaking, a related party is any person who has a relationship with EROAD that could influence, or could be perceived to influence, EROAD entering a transaction on terms that are not commercial and/or are not at arm's length.

Related parties include:

- EROAD's directors and senior managers;
- EROAD's subsidiaries, and the directors and senior managers of those subsidiaries (EROAD Inc, EROAD Australia Pty Ltd, EROAD LTI Trustee Limited, EROAD Financial Services Limited);
- Companies/persons with a relevant interest in 10% or more of EROAD's voting securities;
- Associated companies/persons of EROAD, or to the parties referred to above. This includes other organisations where an EROAD director or senior manager is also a director or senior manager of that organisation; and
- Any other companies/persons whose relationship to EROAD, or any of the companies/persons listed above, is such that shareholder approval should be required (i.e. there is a relationship of influence).

Any current arrangements with a company/person who is intended to become a related party is classed as a related party for the purpose of this policy, even if the arrangements are not yet finalised. A related party also includes a company/person who has been a related party at any time within 6 months prior to the relevant transaction.

3.0 PROCEDURES FOR IDENTIFYING RELATED PARTIES

EROAD currently has the following procedures in place to identify related parties and related party transactions:

- EROAD maintains an interest register which documents the interests of the directors and senior managers of EROAD and its subsidiaries. The interest register is reviewed at each Board meeting and is updated as and when required.
- Monthly audits are undertaken to identify any new related parties.
- EROAD has a delegated authority process for approving any related party transactions.
- EROAD's finance team has a process to identify undisclosed related parties. The finance team is responsible for reporting any unusual business that occurs, and confirming that the unusual business (if any) did not amount to a related party transaction (based on the information available to the finance team).

Where a related party transaction has been identified, EROAD's legal and finance teams will prepare a report to be provided to the CEO, CFO and the Board for final assessment.

4.0 DISCLOSURE OF INTEREST

Any related party who has a personal interest in the outcome of a proposed transaction must disclose the nature of that interest to the Board. An interested director or shareholder must be excluded from voting on any resolution involving a related party transaction where required by the NZX Listing Rules, Companies Act 1993 or any other applicable laws or rules, and, in any event, should consider whether it



is appropriate to abstain from voting even if permitted to do so.

5.0 PROCEDURE FOR APPROVING TRANSACTIONS WITH RELATED PARTIES

All transactions involving a related party **must** be:

- approved by the Board;
- appropriately documented; and
- if necessary or appropriate, disclosed to the NZX and the ASX.

Where EROAD seeks to enter into a proposed transaction or vary an existing transaction with a related party, the following process applies:

- A. The Board, with assistance from the CEO and the CFO, will consider whether the transaction:
- carries any significant risk to EROAD;
 - is in the ordinary course of business for EROAD;
 - is in the best interests of EROAD; and
 - is on fair and reasonable terms and at arm's length.

Where the Board determines necessary, expert advice should be obtained from a suitably qualified and independent advisor.

- B. After careful consideration of the findings in step A, the Board (excluding any directors who are a related party) will decide whether or not to approve the proposed transaction.

6.0 MATERIAL TRANSACTIONS WITH RELATED PARTIES

In this Policy, "material transaction" has the meaning given to that term in the NZX Listing Rules.

Pursuant to rule 5.2.1 of the NZX Listing Rules (and subject to the exceptions in rule 5.2.2), EROAD must not enter into a material transaction if a related party is, or is likely to become:

- a. a direct party to the material transaction, or
- b. a beneficiary of a guarantee or other transaction which is a material transaction,

unless that material transaction is approved, or conditional on the approval, by an ordinary resolution of EROAD's shareholders.

As with any related party transaction, when conducting a material transaction, EROAD must comply with its continuous disclosure and reporting obligations to ensure the market is sufficiently informed.

7.0 NZX WAIVER

EROAD may apply for a waiver of the ordinary resolution requirement for material transactions. EROAD should only apply for a waiver if it is satisfied that the personal connections and/or involvement, or personal interest of any related party is immaterial, or is unlikely to have influenced EROAD in its decision to enter into the material transaction or acquiesce to its terms and conditions.

8.0 SHAREHOLDER APPROVAL

Where a related party transaction requires shareholder approval, shareholders should generally be given the following information:

- the circumstances of the related party transaction;
- the Board's recommendations and the reasoning behind those recommendations;
- any alternative options to the related party transaction; and
- an outline of the forecasted impact the related party transaction will have on EROAD.

9.0 CONTINUOUS DISCLOSURE

In addition to the general requirement to release "material information" promptly and without delay,



under rule 3.4.1 of the NZX Listing Rules, EROAD must also promptly, and without delay, release to the NZX and the ASX sufficient details to inform the market upon entering into a transaction or a related series of transactions with a related party, under which EROAD:

- purchases, acquires, gains, leases (as lessor or lessee), sells or otherwise disposes of, assets having an Aggregate Net Value above 5% of EROAD's Average Market Capitalisation;
- issues its own Financial Products or acquires its own Equity Securities, having a market value above 5% of EROAD's Average Market Capitalisation (subject to exceptions);
- borrows, lends, pays, or receives money, or incurs an obligation, of an amount above 5% of EROAD's Average Market Capitalisation (except for an issue of Debt Securities, in which case only the nominal amount of Debt Securities being issued to any Related Party or to any Employees of EROAD are to be taken into account); or
- enters into any guarantee, indemnity, underwriting or similar obligation, or gives any security, which could expose EROAD to liability above 5% of EROAD's Average Market Capitalisation.

EROAD will follow its Market Disclosure Policy in complying with its continuous disclosure obligations.

EROAD is also required to disclose transactions with related parties in its annual financial reporting. The finance team periodically considers whether any related party transaction disclosures are required under the financial reporting framework. If so, the details of the relevant transactions, including the nature of the relationship between EROAD and the related person(s) all need to be reported.

10. ACCOUNTABILITY

EROAD's General Counsel and CFO are responsible for identifying, recording, summarising and disclosing related party transactions.

Approved by the Board on 7 September 2020