



## Appointment and Selection of New Directors Policy

The purpose of this policy is to establish general criteria that the Board will consider during the process of selection and appointment of its members. The actual steps may vary depending on EROAD's circumstances at the time.

### 1.0 PROCESS FOR THE SELECTION AND APPOINTMENT OF DIRECTORS

When a need for a new Director is identified or arises, the Remuneration, Talent and Nomination Committee (RTNC) will consider the following:

1. the range of skills currently represented on the Board; and
2. the needs of the Board to ensure there is a range of relevant skills represented, including, but not limited to:
  - a. the technical skills, expertise, experience and knowledge gained in the relevant industries;
  - b. each individual's understanding of accounting, finance, risk, legal and regulatory matters;
  - c. cultural fit and personal qualities that make individuals suitable to be a Director of EROAD; and
  - d. diversity of backgrounds, knowledge, skills, needs and experiences on the Board.

As part of the selection and appointment process RTNC will:

1. use diverse sourcing methods available to the RTNC, including professional intermediaries, to identify potential candidates for the Board;
2. develop a short list of potential candidates who best match the needs of the Board; and
3. recommend to the Board the most appropriate appointee from the short list of potential candidates be invited to become a Director of EROAD. Prior to recommending a person for appointment as a Director, the Remuneration, Talent and Nomination Committee will consider the following:
  - a. that person's ability to commit time required by the Board to effectively discharge his or her duties to EROAD, including the number of existing Directorships and other commitments that may demand the attention of the proposed appointee;
  - b. likelihood of any conflict of interest due to the nature of existing positions, directorships or other relationships; and
  - c. the extent to which the proposed appointee is likely to exercise sound judgement and apply critical thinking, work constructively with the existing Directors and contribute to the overall effectiveness of the Board.

### 2.0 BOARD RENEWAL

Retirement of the Directors will be in accordance with the NZX Listing Rules. A notice of Shareholders' Meeting involving the election of Directors will include the following information on each proposed appointee:

- a. the Board's view on whether or not the proposed appointee would qualify as an Independent Director;



- b. an outline of the proposed appointee's experience (including specific details of relevant roles and organisations) and, if relevant, the qualifications of the proposed appointee; and
- c. any other information that the Board considers may be useful to provide to a Financial Product holder (as that term is defined in the NZX Listing Rules),

as well as a statement by the Board as to whether it supports the nomination of the proposed appointee(s).

### **3.0 RECOMMENDATION OF EXISTING DIRECTORS**

The Board will consider several factors in relation to whether to recommend an existing Director to EROAD's shareholders for re-election. These include:

1. an assessment of the factors set out above under the heading "Process for the selection and appointment of Directors", in so far as they relate to the existing Director; and
2. the Chairman's assessment of the existing Director's performance, including his or her prior performance, contribution and attendance at Board meetings.

EROAD will ensure that a notice of Shareholders' Meeting contains the same information outlined at 2.0 above on those Directors recommended for re-election.

**Approved by Board 27 May 2019**