



## EROAD LIMITED

# Remuneration, Talent and Nomination Committee Charter

### 1. ESTABLISHMENT

This Charter sets out the basis on which the Board has established a Remuneration, Talent and Nomination Committee ("Committee") pursuant to the Constitution.

### 2. OBJECTIVES AND PURPOSE

The objectives and purpose of the Committee are to:

- Assist the Board in fulfilling its responsibility to shareholders to ensure the Board is composed of Directors, through recruitment and succession planning, who contribute to the management of EROAD and discharge their duties under the law diligently and efficiently.
- Oversee remuneration and organisational matters of EROAD including:
  - remuneration and benefits policies;
  - performance objectives and remuneration of EROAD's senior management; and
  - succession planning and manager development for the CEO and senior management.
- Assist the Board in establishing clear remuneration policies and practices that:
  - enable EROAD to attract, retain and reward management and Directors;
  - fairly and responsibly reward executives having regard to the performance of EROAD and the manager and the relevant remuneration market; and
  - comply with the provisions of the NZX Listing Rules and any other relevant legal requirements both in New Zealand and internationally.

The committee has no decision making powers except where expressly provided by the Board.

### 3. COMPOSITION

The Committee shall comprise at least three members each appointed by the Board. The Committee shall be chaired by an Independent Director appointed by the Board, and the majority of the members shall be Independent Directors.

The Committee may, if it considers it appropriate, appoint a secretary. The Committee may take such independent advice as it considers necessary. Any Director, not a member of the Committee, may attend Committee meetings subject to the Chairman's approval.

### 4. MEETINGS

The Committee will meet as frequently as required but at least two times per year. A quorum for a meeting of the Committee is two Directors. The Committee may invite such other persons to attend their meetings as they consider appropriate. At the invitation of the Committee, Committee meetings will be attended by the Chief Executive Officer except when the Chief Executive Officer's remuneration is being discussed.

The Committee shall ensure that minutes of its meetings are kept and provided to the Board in a timely manner.



The date, time and location of each Committee meeting will be notified by the Company to all members as far in advance as possible. Relevant Committee papers shall also be sent to members as far in advance as possible.

The proceedings of the Committee will be governed by the provisions of the Constitution that govern meetings of Directors, in so far as they are applicable.

## 5. DUTIES AND RESPONSIBILITIES

In addition to any other authorities, duties and responsibilities which have been assigned to it from time to time by the Board, the Committee has the authority, duties and responsibilities as set out below.

### 5.1 REMUNERATION

- a. Review and recommend to the Board the overall human resources strategy and monitor its implementation including performance objectives, strategy and succession planning.
- b. Oversee EROAD's remuneration policies, including any policies and practices relating to:
  - i. independent remuneration consultants engaged by the Board to provide market data and the methodology for comparison against the market;
  - ii. remuneration packages for directors for consideration by shareholders; and
  - iii. executive total remuneration packages including short and long-term reward components for senior management.
- c. Review and recommend senior management remuneration and recommend for approval by the Board the remuneration of the Chief Executive Officer, and any changes to such remuneration.
- d. Monitor EROAD's financial and other reporting as it relates to remuneration.

No employee will be directly involved in deciding their own remuneration.

### 5.2 NOMINATION

- a. Ensure that EROAD has formal and transparent procedures for the selection and appointment of Directors to the Board and relevant succession plans.
- b. Develop procedures for identifying and assessing Director competencies.
- c. Identify individuals (using professional advisors where appropriate) who are qualified to become Board members, taking into account a variety of factors, including, but not limited to:
  - i. the range of skills currently represented on the Board;
  - ii. the skills, expertise, experience (including commercial and/or industry experience), diversity of backgrounds and particular qualities that make individuals suitable to be a Director of EROAD; and/or
  - iii. the individual's understanding of accounting, finance and legal matters;
  - iv. the time commitment required by the individual to effectively discharge their duties as a Director;
  - v. the number of Directorships and other commitments that may demand time of the individual;
  - vi. the nature of existing positions, directorships or other relationships and the impact that each may have on the individual's ability to exercise judgement without conflicts of interest; and
  - vii. the extent to which the individual is likely to work constructively with the existing Directors and contribute to the overall effectiveness of the Board.
- d. Make recommendations to the Board for the appointment and re-election of Directors and members of the Board's committees.
- e. Recommend to the Board the appointment of the Chief Executive Officer, setting out the terms of his or her employment and, where necessary, terminating his or her employment.



- f. Recommend material changes to the terms of employment, and where necessary termination, of any of the Chief Executive Officer's direct reports.

### 5.3 OTHER

- a. On an annual basis, review the effectiveness of the Diversity and Inclusion Policy and monitor the EROAD's performance against it.
- b. Monitor the development of strategies aimed at improving EROAD's culture and talent management practices.
- c. Oversee the application of best practice strategic and operational human resource functions.
- d. Oversee health and safety policies and practices and provide assurances to the Board and other relevant stakeholders of the development of, and compliance with, the Safety and Wellbeing Policy and Charter.
- e. Ensure that EROAD has in place a process for the induction of new Directors including information on EROAD's financial, strategic, operational and risk management position, the culture and values of EROAD, the corporate structure and governance of the Company.
- f. Ensure each newly appointed Director enters a written agreement establishing the terms of their appointment.
- g. Ensure that EROAD provides appropriate ongoing training and upskilling of existing Directors and senior management including education on key developments in EROAD and industry.
- h. Review and evaluate the Chief Executive Officer's performance against key performance indicators, and review the corresponding performance objectives for the Chief Executive Officer for the following year.
- i. Review annually the time commitment that the role of Independent Director requires, and whether the Independent Directors are meeting this requirement.

### 6. ACCESS

The Committee shall have direct communication with, and unrestricted access to, all management team members, external auditors, financial and legal advisors, employees, consultants and company records.

### 7. REPORTING

The Chairperson of the Committee shall report to the Board on the Committee's proceedings following each meeting on matters relevant to the Committee's duties and responsibilities.

### 8. REVIEW

The Committee will conduct a regular review of its objectives and activities, inviting comments from all members of the Board. It shall recommend to the Board any suggested changes in the duties and responsibilities of the Committee and the terms of this Charter.

**Approved by Board 11 October 2019**