



Securities Trading Policy and Guidelines

This policy applies to all Directors, employees, contractors and advisers of EROAD Limited (EROAD) and its subsidiaries (Team Members) who intend to trade in EROAD's quoted securities.

In this policy 'trade' includes buying or selling quoted securities, or agreeing to do so, whether as principal or agent, but it does not include subscription for, or the issue of, new securities.

INTRODUCTION AND PURPOSE

This document details EROAD's policy on, and rules for dealing in the following securities (*Restricted Securities*):

- EROAD ordinary shares (NZX stock code ERD); and
- any other quoted securities of EROAD or its subsidiaries, and any quoted derivatives (including futures contracts quoted on an authorised futures exchange) in respect of those quoted securities, from time to time.

The requirements imposed by the policy are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand and any other country where those securities may be quoted.

If you contravene the laws against "insider trading", you may be subject to imprisonment for up to 5 years, large fines (potentially up to \$2.5 million), or being sued by EROAD or another party for any loss they suffered as a result of illegal trading.

If you do not understand any part of this policy, or how it applies to you, you should raise the matter with the CEO before dealing with any securities covered by this policy.

FUNDAMENTAL RULE – INSIDER TRADING IS PROHIBITED AT ALL TIMES

If you possess "material information" (refer to definition below), then you must not:

- trade Restricted Securities;
- advise or encourage others to trade, or hold any Restricted Securities; or
- pass on the material information to others.

The prohibitions apply regardless of how you learn of the information, and regardless of why you are trading.

The prohibition on insider trading applies not only to information concerning EROAD's securities. If a person has material information in relation to quoted securities of another issuer (including futures contracts quoted on an authorised futures exchange) over quoted securities, that person must not trade in those securities.

INSIDER TRADING LAWS

If you have any **material information**, it is illegal for you to:

- trade EROAD's quoted securities;
- advise or encourage another person to trade or hold EROAD's quoted securities;
- advise or encourage a person to advise or encourage another person to trade or hold EROAD's quoted securities; or



- pass on the material information to anyone else – including colleagues, family or friends – knowing (or where you ought to have known) that the other person will use that information to trade or advise or encourage someone else to trade, or hold, EROAD's quoted securities.

CONFIDENTIAL INFORMATION

In addition to the above, you also have a duty of confidentiality to EROAD. You must not reveal any confidential information concerning EROAD to a third party (unless that third party has signed a confidentiality agreement with EROAD and you have been authorised to disclose the confidential information), or to use confidential information in any way which may injure or cause loss to EROAD, or use confidential information to gain an advantage for yourself. You should ensure that external advisers keep EROAD information confidential.

WHAT IS "MATERIAL INFORMATION"?

"Material information" is information that:

- is not generally available to the market; and
- if it were generally available to the market, a reasonable person would expect it to have a material effect on the price of EROAD's quoted securities.

Information is generally available to the market if:

- it has been released as an NZX announcement;
- it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in EROAD's quoted securities and a reasonable period for it to be disseminated has expired; or
- investors that commonly invest in EROAD's quoted securities can readily obtain the information (whether by observation, use of expertise, purchase or other means).

It does not matter how you come to know the material information (for example whether you learn it in the course of carrying out your responsibilities, in passing in the corridor, in a lift or at a social function).

Information includes rumours, matters of supposition, intentions of a person (including EROAD), and information, which is insufficiently definite to warrant disclosure to the public.

WHAT ARE SOME EXAMPLES OF MATERIAL INFORMATION?

The following list is illustrative only. Material information could include information concerning:

- the financial performance of EROAD;
- a possible change in the strategic direction of EROAD;
- the introduction of an important new product or service;
- a possible acquisition or sale of any assets or company by EROAD;
- entry into or the likely entry into or termination or likely termination of material contracts or other business arrangements which are not publicly known;
- a possible change in EROAD's capital structure;
- a change in the historical pattern of dividends;
- senior management changes;
- a material legal claim by or against EROAD; or
- any other unexpected liability,

which has not been released to the market.



EXCEPTIONS

This policy does not apply to:

- acquisitions and disposals by gift or inheritance; or
- acquisitions through an issue of new quoted securities, such as an issue of new shares on the exercise of options, under a rights issue, or a dividend reinvestment plan.

SHORT TERM TRADING DISCOURAGED

You should not engage in short term trading of EROAD shares (the buying or selling of quoted securities within a 6 month period), unless there are exceptional circumstances discussed with and approved by the CEO.

Short term trading can be a key indicator of insider trading, particularly if undertaken on a regular basis or in large amounts. Therefore, to reduce the risk of an allegation of insider trading, do not trade quoted securities on a short-term basis.

PERSONS COVERED BY SECURITIES TRADING RESTRICTIONS

The trading restrictions set out below apply to:

- all Team Members;
- the spouses and dependent children of Team Members;
- trusts and companies in which such persons have a material interest (whether legal or beneficial) or which are controlled by such persons; and
- anyone else notified by the CEO from time to time.

In this respect, “control” is not to be construed in a technical way but by looking at how decisions are made in practice.

TRADING RESTRICTIONS (BLACK-OUT PERIOD)

Persons to whom this policy applies are prohibited from trading in any Restricted Securities during the following specific “black-out” periods:

- from EROAD’s year end balance date, until the first trading day after the full-year results are released to NZX; and
- from EROAD’s half-year balance date, until the first trading day after the half-year results are released to NZX.

Please note that if you hold material information you must not trade Restricted Securities at any time – regardless of these periods.

EXEMPTIONS TO POLICY

Exemptions to this policy to allow trade during a “black-out” period may be granted in exceptional circumstances. Those circumstances may arise where adherence to this policy would cause severe financial hardship or where the trade is required by court order or other enforceable obligation. Requests for exemption from the policy to allow trade during a “black-out” period may only be approved by the Board.



REQUIREMENTS BEFORE TRADING

Before trading in Restricted Securities, at any time, the relevant Team Member must, in writing:

- notify EROAD's CEO of their intention to trade in securities, and seek consent to do so (using the Request for Consent to Trade in Quoted Securities form attached);
- confirm that they do not hold material information; and
- confirm that there is no known reason to prohibit trading in any Restricted Securities.

A consent is only valid for a period of twenty trading days (one month) after notification. A consent is automatically deemed to be withdrawn if the person becomes aware of material information prior to trading.

EROAD's CEO and each EROAD director must seek consent from the Chairman of the Board in advance of trading in Restricted Securities. The Chairman must seek consent from two directors in advance of trading in Restricted Securities.

REQUIREMENTS AFTER TRADING

The relevant Team Member must advise Legal (legal@eroad.com) promptly following completion of any trade which is subject to this policy of the number of shares traded and the value of the trade. The Team Member must also comply with any disclosure obligations he, she or it has under law.

If in doubt, don't

The rules contained in this policy do not replace your legal obligations. The boundary between what is (and is not) in breach of the law is not always clear. Sometimes behaviour that you consider to be ethical actually may be insider trading. If in doubt, don't!

Breaches of policy

Strict compliance with this policy is a condition of employment. Breaches of this policy will be subject to disciplinary action, which may include termination of employment or a contract for services.

Monitoring of trading

EROAD may monitor the trading of the persons who are subject to this policy as part of the administration of this policy.

Application of policy

The Board of EROAD has approved this policy. The Board may approve updates, amendments to and exemptions to this policy from time to time, which may be implemented by written notice to you.

To the extent of any inconsistency with any previous policy or rules relating to this subject matter, this policy prevails over them.

Approved by Board 27 May 2019