



EROAD LIMITED

Board Charter

INTRODUCTION

This Charter sets out the manner in which the Board's powers and responsibilities will be exercised and discharged, adopting principles of good corporate governance and practice that accord with best practice and the applicable laws in the jurisdictions in which EROAD operates. It also describes the functions and responsibilities of any person appointed or acting as a director of EROAD, recognising the overriding responsibility of the Board and each of its Directors to act honestly, fairly, diligently and in accordance with law.

ROLE OF THE BOARD

The Board's role is to govern EROAD rather than to manage it. In governing EROAD, the Directors act in the best interests of EROAD as a whole - no duty is owed to any individual member or group of members. It is the role of senior management to manage EROAD in accordance with the direction and delegations of the Board. The Board is ultimately responsible for appraisal and approval of the strategic direction of EROAD, oversight of the management of EROAD and direction of its business strategy, with the ultimate aim being to increase shareholder value. The Board is accountable to shareholders for the performance of EROAD.

RESPONSIBILITIES OF THE BOARD

The Board has the final responsibility for the successful operation of EROAD. In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of EROAD. In carrying out its governance role, the Board's main task is to drive EROAD's performance. The Board must also ensure that EROAD complies with its legal obligations including the requirements of any regulatory body.

Without limiting the Board's general role, the Board's principal functions and responsibilities include:

1. in consultation with the Chief Executive Officer, providing strategic direction for, and approving, EROAD's business strategies and objectives;
2. reviewing and approving EROAD's budgets and business plans and monitoring the management of EROAD's capital, including the progress of any major capital expenditures, acquisitions or divestitures;
3. overseeing and monitoring the implementation of EROAD's sustainability strategy;
4. providing leadership of EROAD within a system of prudent and effective controls which enables risk to be assessed and managed;
5. reviewing the principal risks faced by EROAD and taking reasonable steps designed to ensure that appropriate internal controls and monitoring systems are in place to manage and, to the extent possible, reduce the impact of these risks;
6. ensuring appropriate resources are available to senior management;
7. monitoring the operational and financial position and performance of EROAD;



8. requiring that financial and other reporting mechanisms are put in place by the Chief Executive Officer which result in adequate, accurate and timely information being provided to the Board and EROAD's shareholders and the financial market as a whole being fully informed of all material developments relating to EROAD;
9. appointing and, where appropriate, removing the Chief Executive Officer, approving other key senior management appointments, planning for succession and monitoring the performance of the Chief Executive Officer and other senior management personnel with regard to EROAD's performance;
10. reviewing and approving EROAD's remuneration policies;
11. establishing procedures to ensure that financial results are appropriately and accurately reported on a timely basis in accordance with all legal and regulatory requirements;
12. adopting appropriate procedures to ensure compliance with all laws, governmental regulations and accounting standards;
13. establishing procedures to ensure that non-financial results (including for sustainability matters) are appropriately and accurately reported on a timely basis in accordance with all legal and regulatory requirements;
14. approving and regularly reviewing EROAD's internal decision making process and compliance policies and procedures; and
15. ensuring that EROAD's internal decision-making process and compliance policies and procedures are adhered to, to ensure that the business of EROAD is conducted in an open and proper manner.

In addition to the above, the Board also has the following specific responsibilities for safety and wellbeing:

1. being sufficiently informed about EROAD's business, hazards and risks and have an understanding of control methods and systems to be able to identify whether these are appropriate;
2. ensuring EROAD has, and implements, appropriate processes and systems for receiving and considering information regarding incidents, hazards and risks, and ensuring these processes and systems are being regularly reviewed and continuously improved;
3. seeking advice from industry and independent safety and wellbeing experts as required; setting an example on safety and wellbeing and engaging with the executive team and staff;
4. specifying key performance indicators, in consultation with management, to track EROAD's performance in implementing safety and wellbeing strategy and policy; and
5. formally reviewing the safety and wellbeing performance of EROAD, including reviewing internal and independent audits, system reviews and key performance indicators. The Chief Executive Officer will be responsible for producing sufficient information for this review to occur, with input from the executive team and the Safety and Wellbeing Manager.

DELEGATION OF RESPONSIBILITIES TO SENIOR MANAGEMENT

The Board delegates management of the day-to-day affairs and management responsibilities of EROAD to the Chief Executive Officer and the senior management to deliver the strategic direction and goals approved by the Board. This delegation includes:

1. operating EROAD's business within the parameters set by the Board from time to time and, where a proposed transaction, commitment or arrangement exceeds these parameters, referring the matter to the Board for its consideration and approval;
2. developing business plans, budgets and company strategies for the Board's consideration and, to the



extent that they are approved by the Board, implementing these plans, budgets and strategies;

3. identifying and managing business risks, and if those risks could materially affect EROAD or its business, formulating strategies to manage those risks;
4. managing EROAD's current financial and other reporting mechanisms to ensure that they are functioning effectively to capture all relevant material information on a timely basis; and
5. implementing EROAD's internal controls, policies and procedures and monitoring these controls, policies and procedures and ensuring that they are appropriate and effective.

DELEGATION OF RESPONSIBILITIES TO COMMITTEES

The Board may, from time to time, establish committees to assist it in carrying out its responsibilities. For each committee the Board shall adopt a formal charter that sets out the delegated functions and responsibilities for, and the composition and any administrative matters relating to, that committee. The Board currently has the following committees:

1. Finance, Risk and Audit Committee;
2. People and Culture Committee;
3. Nominations Committee; and
4. Technology Committee

The Board is responsible for the oversight of its committees. This oversight shall include, in relation to each committee, determining and reviewing its composition and structure and regularly reviewing its performance against its charter.

MEMBERSHIP

The number of Directors to hold office will be fixed from time to time by the Board. A majority of the Directors are to be independent. A Director is only to be regarded as independent if they are not an Employee of EROAD and do not have any Disqualifying Relationship (as those terms are defined in the NZX Listing Rules).

In determining a Director's independence, the Board will consider factors including whether the Director:

1. Is currently, or was within the last three years, employed in an executive role by EROAD, or any of its subsidiaries, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
2. Is currently deriving, or within the last 12 months derived a substantial portion of his, her or their annual revenue from EROAD;
3. is currently, or was within the last 12 months, in a senior role in a provider of material professional services (other than an external auditor) to EROAD or any of its subsidiaries;
4. is currently, or was within the last three years, employed by EROAD's external auditor or any of its subsidiaries;
5. currently has, or did have within the last three years, a material business relationship (e.g. a supplier or customer) with EROAD or any of its subsidiaries;
6. is a substantial product holder of EROAD, or a senior manager of, or person otherwise associated with, a substantial product holder of EROAD;
7. is currently, or was within the last three years, in a material contractual relationship with EROAD or any of its subsidiaries, other than as a director;
8. has close family ties or personal relationships (including close social or business connections) with anyone in the categories listed above;



9. has been a director of EROAD for a period of 12 years or more..

The Board shall identify which Directors it has determined, in its view, to be independent no later than 10 business days following the Director's initial appointment and immediately after making such determination shall release such information to the market. The Board must also include a statement as to which Directors are independent in its Annual Report.

The Board shall regularly review the independence of each Director in light of interests disclosed and will disclose any change to the market.

There must be an appropriate balance of experience on the Board. To help achieve this, the Board will regularly assess the appropriate balance of skills, experience and diversity required on the Board and the extent to which these are represented and make adjustments as necessary.

THE ROLE OF INDIVIDUAL DIRECTORS

Each Director will conduct themselves in accordance with EROAD's Board Code of Conduct and their legal duties and other obligations, which include:

1. acting honestly and in good faith in what the Director believes to be EROAD's best interests;
2. carrying out duties in a lawful manner, using reasonable endeavors to ensure that EROAD at all times does what is right and carries out its business in accordance with applicable laws and a high standard of commercial integrity;
3. acting in accordance with their fiduciary duties to EROAD as a whole, only exercising any powers ethically and for proper purposes with care and diligence;
4. never taking improper advantage of their position as a Director or improperly using information gained through that position;
5. maintaining and protecting the confidentiality of information of or held by EROAD except and only to the extent that disclosure is required by law, or the information is otherwise independently in the public domain – Board agendas, papers, minutes, discussions and other documentation are confidential to the Board;
6. undertaking diligent analysis of all proposals placed before the Board and proper time and attention to all matters before them;
7. never engaging in conduct likely to bring discredit upon EROAD;
8. giving their specific expertise generously to EROAD including by participating openly, fully and constructively in Board discussions, bringing the benefit of their particular knowledge, skills and abilities to those discussions;
9. complying with the spirit, as well as the letter of the law and the principles of this Charter; and
10. declaring any material conflict of interest as soon as it arises and withdrawing from discussions and decisions of any matter on which such director has a material conflict, unless directors who do not have a conflict have resolved that the director should stay.

CHAIRPERSON

The Directors may elect one of their number as a chair of the Board ("Chair"). The Chair may be an independent non-executive Director or an executive Director and should be selected based on their leadership capabilities and track record. Where the Board has appointed an Executive Chair, the Board may delegate oversight of matters in which the Chair has a conflict to the Finance, Risk and Audit Committee (FRAC). For such matters, the FRAC will comprise only independent directors and be chaired by a Lead Independent Director ("LID"). The LID is an independent non-executive Director designated by the Board to provide leadership to the Board where the Chair is conflicted or is not independent, and to facilitate the effective functioning of the Board by coordinating the activities of independent Directors. The responsibilities of the LID and protocols are outlined in section 5.7.2 of the FRAC Charter. If the Chair is not independent, the Chief Executive Officer cannot be EROAD's Chair.



The role of the Chair is key, as the individual who is responsible for leading the Board and ensuring its efficient organisation and conduct. In fulfilling this general responsibility, the Chair will:

1. set appropriate agendas for each Board meeting in consultation with the Co-Chief Executive Officers, without limiting that any Director may request that an item is added to the agenda;
2. chair Board and any Shareholder meetings;
3. promote an environment of trust, respect and openness, prioritising consultative and constructive relationships between the Board and EROAD's management;
4. commit the time necessary to discharge effectively the role as Chair;
5. approve press releases concerning matters decided by the Board;
6. have the authority to act and speak for the Board between its meetings, including engaging with the Chief Executive Officer; and
7. report to the Board and, where relevant, Board committee chairs, on decisions and actions taken between Board meetings.

MEETINGS

The Board shall meet as often as it deems appropriate. The Board has a right and a duty to consider properly all matters brought to the Board. Directors will tender apologies for attendance at Board meetings only in unavoidable circumstances. Meetings are conducted to allow a full and frank exchange of views by the Directors while at the same time ensuring that a positive Board culture is maintained. Where disagreements occur, every effort will be made to resolve the issue and to avoid distention. Board papers will be provided to Directors sufficiently prior to Board meetings to allow attendees to become familiar with the issues to be addressed. EROAD shall ensure that Directors are receiving information of sufficient content, quality and timeliness as the Board considers necessary to enable the Board to effectively discharge its duties. Directors have a right and a duty to raise matters of serious concern at Board meetings. In order that such matters can be discussed properly, EROAD and other Directors will be given sufficient time to consider them, and the Chair will be made aware of such matters in time for it to be added to the agenda. The Board will keep Board discussions and resolutions confidential, except where required to be disclosed by law.

ADVICE FROM OTHERS

Directors are entitled to rely on information from EROAD employees on matters within an employee's areas of responsibility and upon information provided by professional advisers or experts on matters within the professional's or expert's areas of competence, provided always that a Director:

1. does not know or have reason to believe that reliance is unwarranted;
2. has reasonable grounds to believe that any person on whom the Board relies is competent and reliable in relation to the information presented; and
3. makes proper enquiries where necessary in the circumstances (by, for example, requesting further information or clarification if the information that is presented is ambiguous or unclear).

Each Director will apply an independent and enquiring mind, as well as their own knowledge of EROAD, to evaluate and form opinions on matters before the Board.

Directors may, with the prior approval of the Chair, seek independent professional advice at the expense of EROAD on any matter connected with the proper discharge of the Director's responsibilities to EROAD, but only up to a value that is expressly agreed in advance with the Chair. If the Chair is an executive director and, during this time, the Board appoints LID, the LID does not require the Chair's approval to seek independent professional advice. Instead, the LID must obtain approval from another independent director. Copies of any advice that is obtained at EROAD's



expense should be made available to, and for the benefit of all Board members, unless the Chair or LID authorises otherwise.

COMPANY SECRETARY

The company secretary is appointed by the Board and accountable to the Board through its Chair on all corporate governance matters or that otherwise relate to the proper functioning of the Board. The company secretary facilitates EROAD's corporate governance processes. All Directors have a right of access to EROAD's company secretary.

INDUCTION, TRAINING AND DEVELOPMENT

New Directors will be provided with a full induction into their role on the Board. Directors are expected to continuously educate themselves to perform their duties appropriately and effectively. Directors will be provided with formal and informal opportunities to assist with their ongoing development, including through the rotation of the membership and chair of Board committees.

REMUNERATION

Director remuneration is determined in accordance with the Director and Senior Executive Remuneration Policy. Expenses relating to the performance of a Director's role will be paid or reimbursed by EROAD in accordance with its Director and Senior Executive Remuneration Policy. Directors must certify the appropriateness of any expenses claimed. Where there is any uncertainty as to the validity of any expenses claimed, the Chair (or the chair of the Finance, Risk and Audit Committee in respect of the Chair's own expenses) shall approve or decline the expense claim.

REVIEW

The Board shall undertake regular performance evaluations of itself in a manner that it deems appropriate that:

1. assesses the performance of the Board with the requirements of this Charter;
2. reviews the performance of the Board's committees and individual Directors; and
3. effects any amendments or improvements to this Charter deemed necessary or appropriate.