



EROAD

Corporate Governance Roadshow

10 May 2021

Transportation technology services company EROAD (NZX/ASX: ERD) attaches a copy of the Corporate Governance roadshow that Chairman Graham Stuart and General Counsel Mark Heine will be presenting to a number of investors over the following days.

Ends

This announcement has been authorised by the General Counsel, Mark Heine.

Contact:

Mark Heine

General Counsel

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About EROAD

EROAD Limited (ASX: ERD; NZX: ERD) ("EROAD") purpose is safer, more productive roads. EROAD develops and markets technology solutions to manage vehicle fleets, support regulatory compliance, improve driver safety and reduce the costs associated with operating a fleet of vehicles and inventory of assets. EROAD has a proven SaaS business model and is experiencing continuing growth in installed units and revenue. EROAD has operations in New Zealand, North America and Australia with customers ranging in size from small fleets through to large enterprise customers. For more information visit <https://www.eroad.com/global/investors>.

EROAD GOVERNANCE ROADSHOW MAY 2021



Graham Stuart, *EROAD Chair* • Mark Heine, *EVP General Counsel and Company Secretary*

IMPORTANT INFORMATION

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NON-GAAP MEASURES

EROAD has used non-GAAP measures when discussing financial performance in this document. The directors and management believe that these measures provide useful information as they are used internally to evaluate performance of business units, to establish operational goals and to allocate Non-GAAP measures are not prepared in accordance with NZ IFRS (New Zealand International Financial Reporting Standards) and are not uniformly defined, therefore the non-GAAP measures reported in this document may not be comparable with those that other companies report and should not be viewed in isolation or considered as a substitute for measures reported by EROAD in accordance with NZ IFRS. The non-GAAP measures are not subject to audit or review. Definitions can be found in the Glossary at page 135 of EROAD's 2020 Annual Report.



**CONTINUE
TO GROW
AND DELIVER
ON STRATEGY
DESPITE
DIFFICULT
MACRO-
ECONOMIC
CONDITIONS**

↑8%

**CONTRACTED
UNITS**

despite COVID-19
(FY21: 126,203 FY20: 116,488)

95.4%

**ASSET RETENTION
RATE**

Reflecting quality of service
and product offering

1,054

**EROAD
CLARITY DASHCAMS**

sold in March

VENTIA

SIGNED

largest Australian
enterprise customer

ASX

LISTED

to increase liquidity and
broaden investor base

\$53_m

CAPITAL RAISE

to accelerate
growth strategies

OUR BOARD

- Average tenure of director on EROAD Board: **6.25 years**
- Average tenure of directors on largest 75 companies on NZX: **5.8 years** and on the ASX 100: **5.9 years**¹



**GRAHAM
STUART**^{2,3}

Chairman

Appointed January 2018



**BARRY
EINSIG**³

Independent Director

Appointed January 2020



**TONY
GIBSON**^{2,3}

*Independent
Director, Chairman of
Remuneration, Talent and
Nomination Committee*

Appointed October 2009



**SUSAN
PATERSON**^{2,3}

*Independent Director,
Chair of the Finance, Risk
and Audit Committee*

Appointed March 2019



**STEVEN
NEWMAN**

Executive Director / CEO

Appointed October 2007

¹Chapman Tripp Corporate Governance – trends & insights publication November 2020, AICD Study, February 2018.

²Member of Finance, Risk and Audit Committee. ³Member of Remuneration, Talent and Nomination Committee.

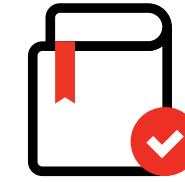
WHAT'S ON THE BOARD'S AGENDA?



PERFORMANCE

Measuring the right things, not just financial metrics

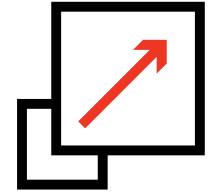
- Delivery against plan
- Lead indicators on customer satisfaction and retention
- Quality of revenue and ARPU
- Investment in R&D
- Staff engagement and retention
- Recruitment of key roles and organisational design



COMPLIANCE

Driven by purpose and setting the tone from the top

- Promoting an open and engaged culture, acting ethically and responsibly
- Sound risk taking culture and effective risk management
- Conscious of cyber security threats and protecting our customers' privacy
- Ensuring a healthy and safe work environment, including monitoring COVID and other risks



FOCUSED ON THE BIG PICTURE

Staying ahead of the business and anticipating pinch points

- Maintaining an up to date industry awareness
- Making the business model scalable
- Investing wisely in R&D
- Ensuring access to capital at the right cost
- Board renewal and management succession planning

STRUCTURE OF BOARD/ SUBCOMMITTEES



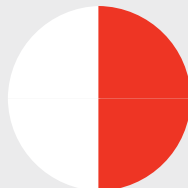
ENSURING WE HAVE THE RIGHT SKILLS AROUND THE BOARD TABLE

- Board currently reviewing Board skills, diversity and succession planning

CEO/EXECUTIVE LEADERSHIP



FINANCE/RISK



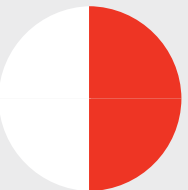
TECHNOLOGY (SAAS/SOFTWARE)



CUSTOMER/MARKETING



M&A



INTERNATIONAL



INDUSTRY



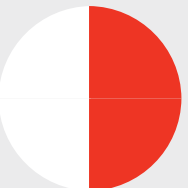
LISTED



INNOVATION/GROWTH



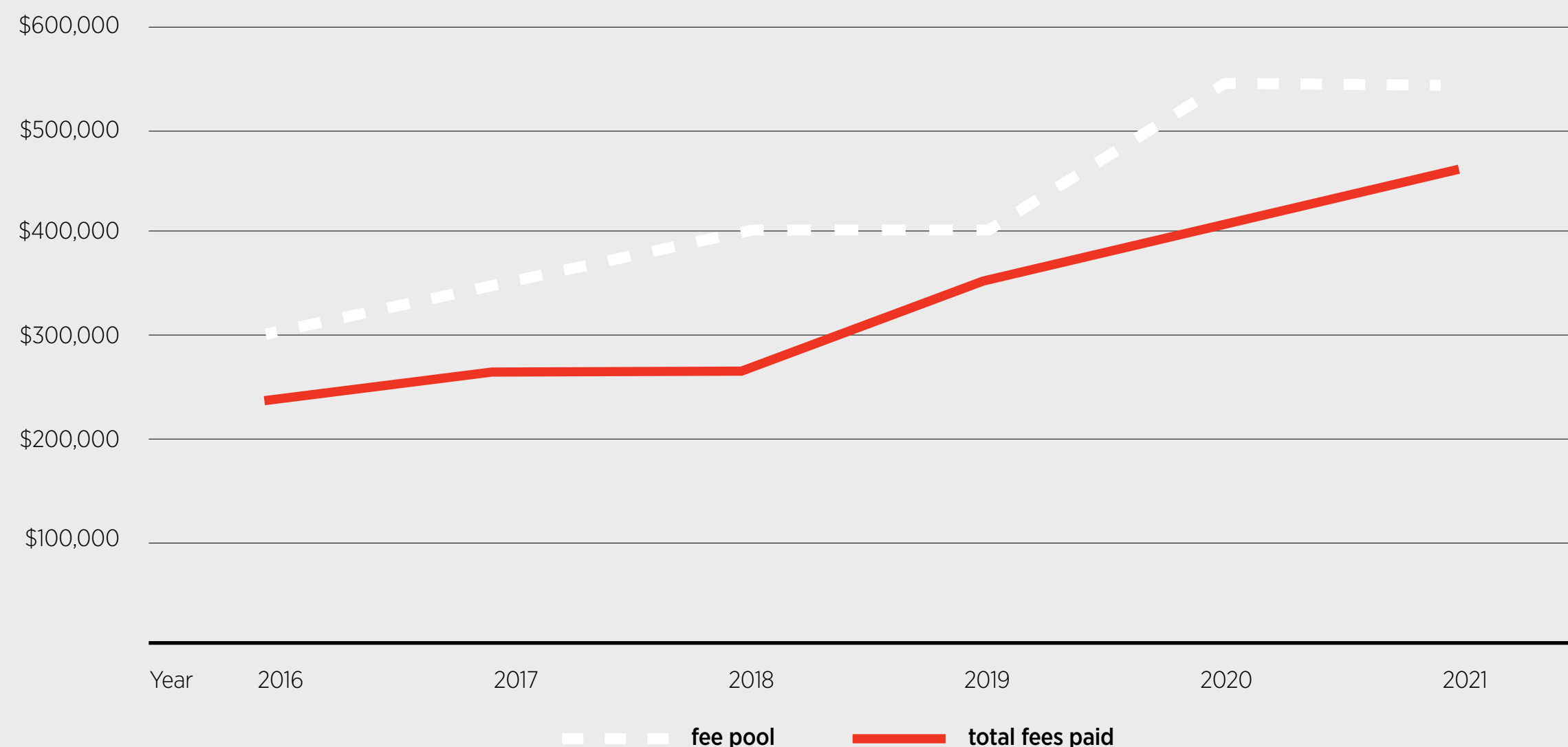
BEEN ON THE JOURNEY



DIRECTOR FEES

- When determining director fees, EROAD considers the median director fee levels for comparable listed companies in New Zealand
- To attract appropriately qualified overseas candidates, EROAD is shifting to paying based on director fees for comparable companies in the market that the director is based in

EROAD DIRECTOR FEES⁴



COMPARABLE COMPANIES

	Median NZ Fees	Median AU fees	Median US fees	EROAD fees
Chair fees	NZ\$ 128,000	AU\$ 170,000	US\$ 118,500	NZ\$ 110,000
Non-executive director fees	NZ\$ 70,000	AU\$ 86,300	US\$ 90,250	NZ\$ 55,000 ⁵

⁴Barry Einsig's fees have been included and are represented in NZD with exchange rates calculated as at 31/3/2020 and 31/3/2021

⁵Barry Einsig's director fees were USD\$96,000. This is consistent with director fee levels for comparable listed companies in the United States

EXECUTIVE REMUNERATION

- CEO remuneration earned for FY20 was a total of \$686,288, comprising of a salary of \$590,000 and STI of \$96,288. No LTI was vested in FY20
- For FY21 the CEO remuneration totaled \$736,945.37 comprising of a salary of \$603,043.77 and STI of \$133,901.60
- After our recent dual listing, EROAD will continue to increase disclosure on executive remuneration, including disclosure on CFO remuneration in the FY21 Annual Report

FIXED REMUNERATION	EROAD's policy is to set fixed remuneration in line with external market trends, the intrinsic value of a job and internal relativities.
SHORT-TERM INCENTIVES	Based on group performance against shared team goals. <ul style="list-style-type: none">• 40% = performance against financial metrics;• 60% = achievement of strategic program targets from the annual plan
LONG-TERM INCENTIVES	FY20-22 LTI plan: performance share rights have been issued (for nil consideration) to participants which convert to shares (for nil consideration) if targets are met. The award is linked to growth in EROAD's Total Contracted Units between 1 April 2019 and 31 March 2022.

EXECUTIVE TEAM

- Increase investment and focus on key roles and organizational design
- Appointment of new North American President Casey Ellis and creation of new Enterprise Sales role which Norm Ellis has transitioned to
- Tim Hogan appointed as CTO from North America, Billy Miller appointed to GM, Insights & Innovation



**STEVEN
NEWMAN**

Executive Director/CEO



**NORM
ELLIS**

*Executive General
Manager, Enterprise*



**TONY
WARWOOD**

*General Manager
ANZ Business*



**ALEX
BALL**

Chief Financial Officer



**MARK
HEINE**

*EVP General Counsel
and Company
Secretary*



**TIM
HOGAN**

*Chief Technology
Officer*



**MATT
DALTON**

Chief Operating Officer



**MIKE
SWEET**

Chief People Officer



**BILLY
MILLER**

*General Manager,
Insights & Innovation*



**CASEY
ELLIS**

*President -
North America*

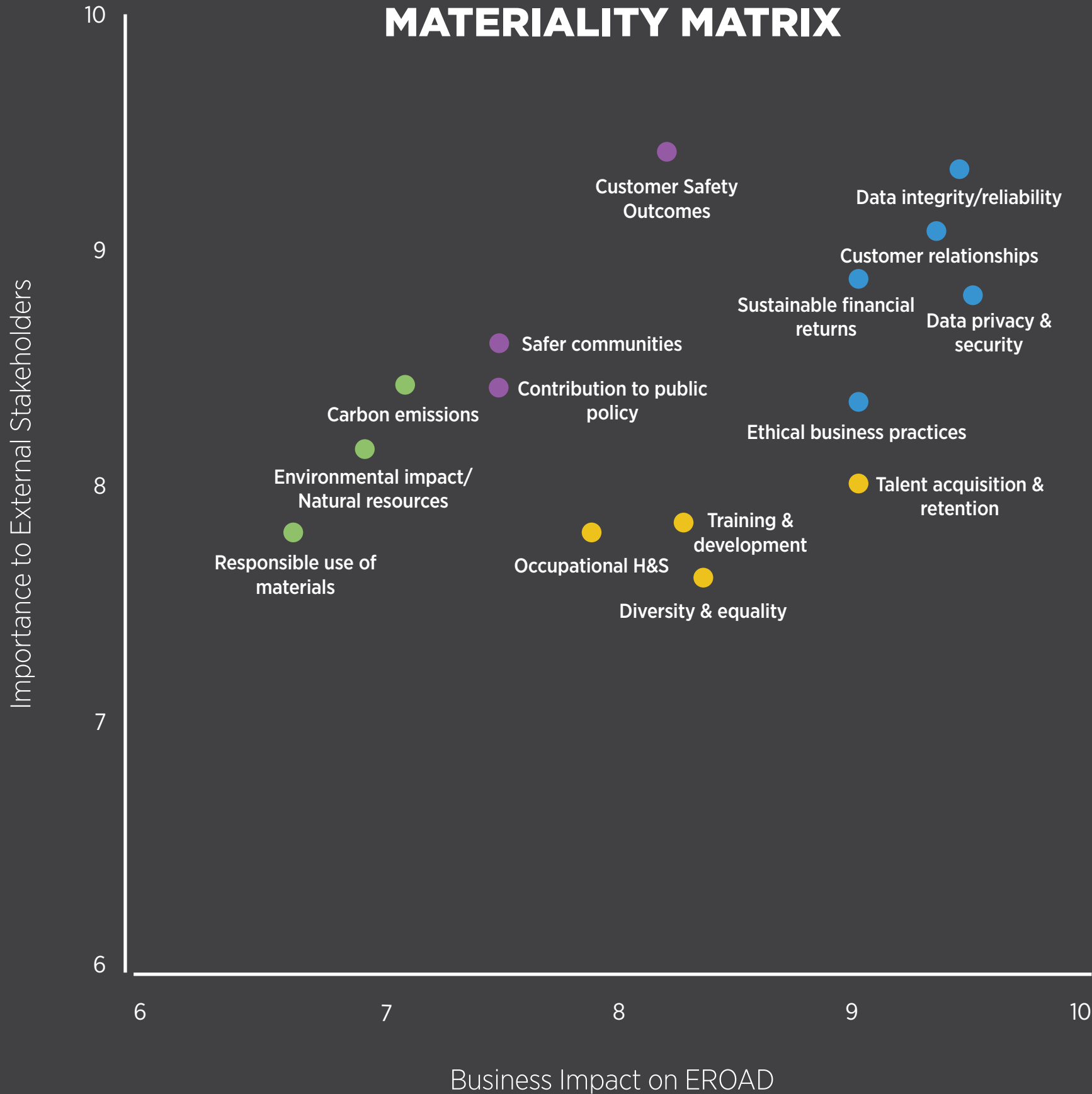


**SARAH
THOMPSON**

Chief Product Officer

FOCUSING ON WHAT MATTERS TO OUR STAKEHOLDERS

- Recognise our role in providing positive outcomes for the communities we operate in and the environment we share
- Last year committed moving towards reporting against a recognised sustainability reporting framework
- Made good progress, including completing a materiality assessment which will provide the foundation for driving future improvements in our sustainability efforts



OUR ENVIRONMENT

OUR PEOPLE

OUR COMMERCIAL APPROACH

OUR COMMUNITIES

RISK APPETITE

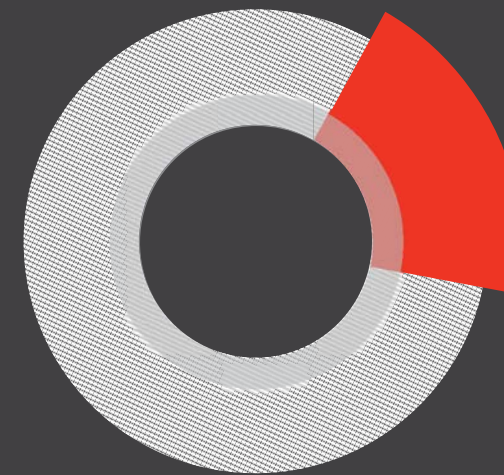
- EROAD seeks to be a strategically focused, risk aware but not risk adverse organisation
- Appointed Risk & Compliance Manager in FY21 to lead implementation of risk appetite and enterprise risk management framework across the organization
- Increased focus on key risk areas, including increased investment in cybersecurity, privacy, scalability of systems, key roles and retention of talent

RISK APPETITE LEVEL	GROWTH AND STRATEGY	FINANCIAL	CUSTOMER EXPECTATIONS	PEOPLE	REGULATORY AND GOVERNANCE
Very high					
High	<ul style="list-style-type: none"> • Strategic risk • Partnerships and acquisitions 	<ul style="list-style-type: none"> • Growth constraints 	<ul style="list-style-type: none"> • Innovation 	<ul style="list-style-type: none"> • Capability • Learning / knowledge 	
Medium					<ul style="list-style-type: none"> • Regulatory environment
Low	<ul style="list-style-type: none"> • Strategic execution 	<ul style="list-style-type: none"> • Working capital • Cost of Capital • Shareholder liquidity • Supply chain and inventory 	<ul style="list-style-type: none"> • Customer interactions • Product delivery 	<ul style="list-style-type: none"> • Key roles, single point of failure 	
Very low			<ul style="list-style-type: none"> • IT and cyber security • Quality and resilience • Privacy 		<ul style="list-style-type: none"> • Governance risk
No appetite		<ul style="list-style-type: none"> • Banking covenants 	<ul style="list-style-type: none"> • Product compliance 	<ul style="list-style-type: none"> • Health and Safety • Purpose and values 	<ul style="list-style-type: none"> • Illegal & Unethical Behaviour

OUR PEOPLE AND DIVERSITY

- EROAD encourages and values the unique experiences, skills and background of its people
- It continually strives to create an inclusive, collaborative and open space where people feel safe and empowered to think differently to create new ideas
- Helping bravely solve customers' complex problems

BOARD GENDER DIVERSITY



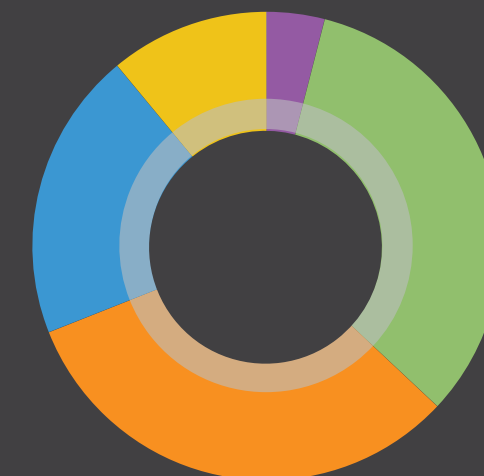
20%
FEMALE

PEOPLE LEADERS DIVERSITY



35%
FEMALE

AGE SPLIT



4% 18-24	33% 25-34	32% 35-44
20% 45-54	11% 55-64	0% 65+



EROAD

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