



7 July 2023

Capital Change Notices - Issue of Performance Share Rights

As signaled in EROAD's Remuneration Report included in the Company's FY23 [Annual Report](#) released to the market on 24 May 2023, and as outlined in more detail in EROAD's 2023 [Corporate Governance Roadshow Presentation](#) released on 8 June 2023, the Company's Remuneration, Talent and Nomination Committee had engaged [Haigh & Company](#) to review and evaluate market trends and to advise EROAD on its remuneration structure.

Following completion of this work, which has been in development since September 2022, EROAD is now issuing Performance Share Rights (PSRs) to select employees as part of its three-year FY24 Long-Term Incentive (LTI) Plan, which is intended to incentivise key employees to grow the Company and to attract, motivate and retain top talent in line with its new strategic direction. In addition, EROAD is issuing PSRs under EROAD's Share Retention Plan to a key employee pursuant to the terms of their employment contract.

Two capital change notices under NZX Listing Rule 3.13 are attached relating to the issue of unquoted PSRs to acquire ordinary shares in the Company under the LTI Plan and the Share Retention Plan. A further capital change notice together with an ASX Appendix 2A are attached relating to the issue of ordinary shares upon vesting of certain PSRs under the Share Retention Plan.

Authorised for release to the NZX and ASX by General Counsel, Ksenija Chobanovich.

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| <p>Investor enquires please contact: Matt Gregorowski Citadel-MAGNUS +61 422 534 755 mgregorowski@citadelmagnus.com</p> | <p>For Media enquiries please contact: Hugo Shanahan Hugo@shanahan.nz</p> |
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NEW ZEALAND'S EXCHANGE
TE PAEHOKO O AOTEAROA

Template Capital Change Notice

Updated as at 17 October 2019

| Section 1: Issuer information | |
|--|---|
| Name of issuer | EROAD Limited (EROAD) |
| NZX ticker code | ERD |
| Class of financial product | Unquoted Performance Share Rights (<i>PSRs</i>), convertible to EROAD ordinary shares pursuant to the 2024 Grant (<i>2024 Grant</i>) under EROAD's Long Term Incentive Plan (<i>Plan</i>). |
| ISIN (If unknown, check on NZX website) | N/A |
| Currency | NZD |
| Section 2: Capital change details | |
| Number issued/acquired/redeemed | 1,450,911 |
| Nominal value (if any) | Nil |
| Issue/acquisition/redemption price per security | Nil |
| Nature of the payment (for example, cash or other consideration) | No consideration is payable for the PSRs. The PSRs have a set exercise price of \$0. |
| Amount paid up (if not in full) | N/A |
| Percentage of total class of Financial Products issued/acquired/redeemed/ (calculated on the number of Financial Products of the Class, excluding any Treasury Stock, in existence) | The PSRs for the 2024 Grant comprise 100% of the financial products of that class. |
| For an issue of Convertible Financial Products or Options, the principal terms of Conversion (for example the Conversion price and Conversion date and the ranking of the Financial Product in relation to other Classes of Financial Product) or the Option (for example, the exercise price and exercise date) | <p>The PSRs issued under the 2024 Grant comprise three tranches.</p> <p>First Tranche</p> <p>The first tranche of PSRs becomes exercisable on a participant remaining employed on 31 March 2026 and in certain other circumstances.</p> <p>Second Tranche</p> <p>The second tranche of PSRs becomes exercisable where EROAD's total shareholder return (<i>TSR</i>) calculated over a period ending after the release of its results for the year ended 31 March 2026 is at least greater than the 40th percentile of the constituents of the S&P/ASX All Technology Index</p> |

(XTX). The percentage of PSRs that become eligible for exercise will increase on a straight line basis from 50% where EROAD's TSR is equal to the 40th percentile of the constituents of the XTX to 100% where EROAD's TSR is equal to or greater than the 60th percentile of the constituents of the XTX. If EROAD's TSR is equal to or greater than the 80th percentile, the percentage eligible for vesting will increase on a straight line basis up to 200% vesting at the 100th percentile.

Third Tranche

The third tranche of PSRs becomes exercisable based on the absolute financial performance of EROAD, which is dependent on EROAD's revenue, EBIT and free cash flow assessed on EROAD's financial statements for each relevant year (being the years ending 31 March 2024, 31 March 2025 and 31 March 2026) compared to EROAD's 3-year budget set at the beginning of the 2024 Grant, as well as EROAD's cumulative performance over that time. Between 85% and 130% of the PSRs may become exercisable depending on achievement. If performance is less than 85%, then no PSRs will vest.

Share rights vest subject to the terms and conditions outlined in EROAD's Long Term Incentive Plan Rules.

On vesting, PSRs entitle the holder to one ordinary share in EROAD for no cash payment, subject to adjustment in accordance with the plan rules, ranking equally with all other EROAD Limited ordinary shares.

The PSRs have a set exercise price of \$0.

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| <p>Reason for issue/acquisition/redemption and specific authority for issue/acquisition/redemption/ (the reason for change must be identified here)</p> | <p>Issue of 1,450,911 PSRs for the 2024 Grant under the Plan. Further background regarding EROAD's FY24 Remuneration Framework and the Plan can be found in EROAD's corporate governance roadshow released to NZX and ASX on 6 June 2023.</p> <p>Board resolution dated 30 June 2023.</p> |
| <p>Total number of Financial Products of the Class after the issue/acquisition/redemption/Conversion (excluding Treasury Stock) and the total number of Financial Products of the Class held as Treasury Stock after the issue/acquisition/redemption.</p> | <p>1,450,911 PSRs</p> <p>In addition, EROAD has PSRs issued in connection with the following plans:</p> <ul style="list-style-type: none"> • EROAD Share Retention Plan (440,924 PSRs). • EROAD PSR Plan (467,651 PSRs). • EROAD LTI Plan (70,000 PSRs). • EROAD FY20 LTI Plan (56,494 PSRs remain on issue). <p>No PSRs or EROAD Limited ordinary shares are held as treasury stock</p> |
| <p>In the case of an acquisition of shares, whether those shares are to be held as treasury stock</p> | <p>N/A</p> |
| <p>Specific authority for the issue, acquisition, or redemption, including a reference to the rule pursuant to which the issue, acquisition, or redemption is made</p> | <p>Board resolution dated 30 June 2023.</p> <p>NZX Listing Rule 4.6.1.</p> |
| <p>Terms or details of the issue, acquisition, or redemption (for example: restrictions, escrow arrangements)</p> | <p>See above.</p> <p>Share Rights are not transferrable and do not entitle the holder to receive dividends or other distributions, or vote in respect of EROAD ordinary shares although under the terms of the plan an additional number of shares will be issued on conversion of fully vested PSRs to reflect dividends paid on EROAD Limited shares prior to exercise.</p> <p>Any ordinary shares issued on the valid exercise of PSRs will rank equally with existing ordinary shares.</p> |

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| Date of issue/acquisition/redemption | 6 July 2023 |
| Section 3: Authority for this announcement and contact person | |
| Name of person authorised to make this announcement | Eleanor Koningham |
| Contact person for this announcement | Eleanor Koningham |
| Contact phone number | 021 0276 1650 |
| Contact email address | Eleanor.koningham@eroad.com |
| Date of release through MAP | 7 July 2023 |



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| Section 1: Issuer information | |
|--|--|
| Name of issuer | EROAD Limited |
| NZX ticker code | ERD |
| Class of financial product | Unquoted Performance share rights (<i>PSRs</i>), convertible to EROAD Limited ordinary shares pursuant to EROAD's Share Retention Plan. |
| ISIN (If unknown, check on NZX website) | N/A |
| Currency | NZD |
| Section 2: Capital change details | |
| Number issued/acquired/redeemed | 661,386 |
| Nominal value (if any) | Nil |
| Issue/acquisition/redemption price per security | Nil |
| Nature of the payment (for example, cash or other consideration) | No consideration is payable for the PSRs. The PSRs have a set exercise price of \$0. |
| Amount paid up (if not in full) | N/A |
| Percentage of total class of Financial Products issued/acquired/redeemed/ (calculated on the number of Financial Products of the Class, excluding any Treasury Stock, in existence) | The PSRs comprise 100% of the financial products of that class. |
| For an issue of Convertible Financial Products or Options, the principal terms of Conversion (for example the Conversion price and Conversion date and the ranking of the Financial Product in relation to other Classes of Financial Product) or the Option (for example, the exercise price and exercise date) | <p>The PSRs are issued in three tranches under EROAD's Share Retention Plan to a participant in that Plan, pursuant to the terms of their employment contract.</p> <p>First tranche First tranche of PSRs will vest immediately following this issue and will become exercisable immediately following this issue.</p> <p>Second tranche The second tranche of PSRs becomes exercisable on the participant remaining employed on 30 September 2024 and in certain other circumstances.</p> <p>Third tranche The third tranche of PSRs becomes exercisable on the participant remaining employed</p> |

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| | <p>on 30 September 2025 and in certain other circumstances.</p> <p>Share rights vest subject to the terms and conditions outlined in EROAD's Share Retention Plan Rules.</p> <p>On vesting, PSRs entitle the holder to one ordinary share in EROAD for no cash payment, subject to adjustment in accordance with the plan rules, ranking equally with all other EROAD Limited ordinary shares.</p> <p>The PSRs have a set exercise price of \$0.</p> |
| Reason for issue/acquisition/redemption and specific authority for issue/acquisition/redemption/ (the reason for change must be identified here) | <p>Granting of 661,386 PSRs to incentivise the retention of the participant.</p> <p>Board resolution dated 30 June 2023.</p> |
| Total number of Financial Products of the Class after the issue/acquisition/redemption/Conversion (excluding Treasury Stock) and the total number of Financial Products of the Class held as Treasury Stock after the issue/acquisition/redemption. | <p>661,386</p> <p>In addition, EROAD has PSRs issued in connection with the following plans:</p> <ul style="list-style-type: none"> • EROAD PSR Plan (467,651 PSRs). • EROAD LTI Plan (70,000 PSRs). • EROAD FY20 LTI Plan (56,494 PSRs remain on issue). <p>No PSRs or EROAD Limited ordinary shares are held as treasury stock</p> |
| In the case of an acquisition of shares, whether those shares are to be held as treasury stock | N/A |
| Specific authority for the issue, acquisition, or redemption, including a reference to the rule pursuant to which the issue, acquisition, or redemption is made | <p>Board resolution dated 30 June 2023</p> <p>NZX Listing Rule 4.6.1</p> |
| Terms or details of the issue, acquisition, or redemption (for example: restrictions, escrow arrangements) | <p>See above.</p> <p>Share Rights are not transferrable and do not entitle the holder to receive dividends or other distributions or vote in respect of EROAD ordinary shares although under the terms of the plan an additional number of shares will be issued</p> |



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on conversion of fully vested
PSRs to reflect dividends paid
on EROAD Limited shares prior
to exercise.
Any ordinary shares issued on
vesting of PSRs will rank
equally with existing ordinary
shares.

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| Date of issue/acquisition/redemption | 6 July 2023 |
| Section 3: Authority for this announcement and contact person | |
| Name of person authorised to make this announcement | Eleanor Koningham |
| Contact person for this announcement | Eleanor Koningham |
| Contact phone number | 021 0276 1650 |
| Contact email address | Eleanor.koningham@eroad.com |
| Date of release through MAP | 7 July 2023 |



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| Section 1: Issuer information | |
|--|--|
| Name of issuer | EROAD Limited |
| NZX ticker code | ERD |
| Class of financial product | Ordinary Shares |
| ISIN (If unknown, check on NZX website) | NZERDE0001S5 |
| Currency | NZD |
| Section 2: Capital change details | |
| Number issued/acquired/redeemed | 220,462 |
| Nominal value (if any) | Not applicable |
| Issue/acquisition/redemption price per security | Nil |
| Nature of the payment (for example, cash or other consideration) | Upon the vesting of performance share rights (PSRs) under a grant under EROAD Limited's (EROAD) Share Retention Plan to a participant in that Plan, pursuant to the terms of their employment contract on the date of issue of those PSRs, the holder is entitled to one ordinary share in EROAD for no cash payment. Further details of the grant to the participant will be included within EROAD's annual report. |
| Amount paid up (if not in full) | Fully paid ordinary shares |
| Percentage of total class of Financial Products issued/acquired/redeemed/ (calculated on the number of Financial Products of the Class, excluding any Treasury Stock, in existence) | 0.20% |
| For an issue of Convertible Financial Products or Options, the principal terms of Conversion (for example the Conversion price and Conversion date and the ranking of the Financial Product in relation to other Classes of Financial Product) or the Option (for example, the exercise price and exercise date) | Not applicable |
| Reason for issue/acquisition/redemption and specific authority for issue/acquisition/redemption/ (the reason for change must be identified here) | Vesting of 220,462 PSRs granted to the participant in this grant. Board resolution dated 30 June 2023 |
| Total number of Financial Products of the Class after the issue/acquisition/redemption/Conversion (excluding Treasury Stock) and the total number of Financial Products of the | 113,139,546 ordinary shares. No treasury stock held. |

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| Class held as Treasury Stock after the issue/acquisition/redemption. | <p>440,924 PSRs remain on issue under this grant.</p> <p>In addition, EROAD has PSRs issued in connection with the following plans:</p> <ul style="list-style-type: none"> • EROAD PSR Plan (467,651 PSRs). • EROAD LTI Plan (70,000 PSRs). • EROAD FY20 LTI Plan (56,494 PSRs remain on issue). |
| In the case of an acquisition of shares, whether those shares are to be held as treasury stock | N/A |
| Specific authority for the issue, acquisition, or redemption, including a reference to the rule pursuant to which the issue, acquisition, or redemption is made | Board resolution dated 30 June 2023 NZX Listing Rule 4.6.1 and 4.9.1 |
| Terms or details of the issue, acquisition, or redemption (for example: restrictions, escrow arrangements) | The shares rank pari passu with existing ordinary shares |
| Date of issue/acquisition/redemption | 6 July 2023 |
| Section 3: Authority for this announcement and contact person | |
| Name of person authorised to make this announcement | Eleanor Koningham |
| Contact person for this announcement | Eleanor Koningham |
| Contact phone number | 021 0276 1650 |
| Contact email address | Eleanor.koningham@eroad.com |
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