



18 July 2023

## Capital Change Notice - Further 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 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, on [7 July 2023](#) EROAD announced the issue of Performance Share Rights (PSRs) to select employees as part of its three- year FY24 Long-Term Incentive (LTI) Plan.

This week EROAD is issuing PSRs under the LTI Plan and its FY24 grant to another key employee pursuant to the terms of their employment contract.

A capital change notice is attached relating to this issue of unquoted PSRs to acquire ordinary shares under EROAD's LTI Plan.

Ends

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Section 1: Issuer information	
Name of issuer	EROAD Limited ( <b>EROAD</b> )
NZX ticker code	ERD
Class of financial product	Unquoted Performance Share Rights ( <b>PSRs</b> ), convertible to EROAD ordinary shares pursuant to the 2024 Grant ( <b>2024 Grant</b> ) under EROAD's Long Term Incentive Plan ( <b>Plan</b> ).
ISIN (If unknown, check on NZX website)	N/A
Currency	NZD
Section 2: Capital change details	
Number issued/acquired/redeemed	278,437
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) <sup>1</sup>	16.1%
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 under the 2024 Grant to a participant in the Plan pursuant to the terms of their employment contract.</p> <p>The PSRs become exercisable to the extent that EROAD achieves absolute financial performance for the financial year ending 31 March 2024 (<b>FY24</b>) and provided that the participant remains employed by EROAD until 31 January 2024.</p> <p>EROAD's actual financial performance for FY24 will be assessed by reference to EROAD's FY24 statements, comparing revenue and EBIT for FY24 against EROAD's FY24 budget, as set before the issuance of the PSRs.</p> <p>Between 85% and 130% of the PSRs may become exercisable depending on how EROAD's FY24 financial results compare with EROAD's FY24 budget.</p>

<sup>1</sup> The percentage is to be calculated immediately before the issue, acquisition, redemption or Conversion.  
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	<p>If EROAD's actual financial performance is less than 85% of budget for FY24, then no PSRs will vest.</p> <p>Share rights vest subject to the terms and conditions set out in the Plan.</p> <p>The vesting date will be the date on which EROAD releases its financial results for FY24.</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 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>Issue of 278,437 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 8 June 2023.</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>1,729,348 PSRs</p> <p>In addition, EROAD has PSRs issued in connection with the following plans:</p> <ul style="list-style-type: none"> <li>• EROAD Share Retention Plan (440,924 PSRs).</li> <li>• EROAD PSR Plan (467,651 PSRs).</li> <li>• EROAD LTI Plan (70,000 PSRs).</li> <li>• EROAD FY20 LTI Plan (56,494 PSRs remain on issue).</li> </ul> <p>No PSRs or EROAD 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	Board resolution dated 30 June 2023. NZX Listing Rule 4.6.1.
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</p>



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# Template Capital Change Notice

Updated as at June 2023

	additional number of shares will be issued on conversion of fully vested PSRs to reflect dividends paid on EROAD shares prior to exercise. Any ordinary shares issued on the valid exercise of PSRs will rank equally with existing ordinary shares.
Date of issue/acquisition/redemption <sup>2</sup>	17 July 2023
<b>Section 3: Authority for this announcement and contact person</b>	
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	<a href="mailto:Eleanor.Koningham@eroad.com">Eleanor.Koningham@eroad.com</a>
Date of release through MAP	18 July 2023