



EROAD

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EROAD suspends employee charged by FMA

Technology services provider EROAD has suspended an employee against whom the Financial Markets Authority (FMA) has filed charges relating to insider trading. The employee is not a member of the senior executive team.

The FMA has filed charges alleging breaches of the insider trading prohibitions contained in the Financial Markets Conduct Act 2013 by one current and one former EROAD employee.

EROAD Chairman Mr Bushby noted that the FMA action is directed at two individuals, and that EROAD's conduct is not the subject of investigation. EROAD supports and endorses the FMA's commitment to the integrity of the capital markets in New Zealand, and has fully co-operated with and assisted the FMA throughout its investigation against the individuals. The matter relates to events in 2015.

EROAD is also considering bringing civil claims against both individuals for breach of confidence.

Mr Bushby said the suspension and possibility of civil claims were part of a response to what appeared to be a serious breach of confidentiality, terms of employment, and the company's code of ethics.

"Irrespective of the FMA action, we are taking appropriate disciplinary action regarding the alleged sharing of confidential financial information for personal share trading," he said. "We accord the security of our company information the highest priority."

Mr Bushby said that the company had been disappointed to learn about the alleged actions of two individuals that led to the FMA's proceedings. "As a listed company we take our responsibilities very seriously and ensure that all our team has training and information to understand their obligations, the importance and consequences of insider trading laws and our own responsibilities.

"We regard our values, ethics and integrity as a company as critically important and we strive to maintain the highest standards," said Mr Bushby.

He said that in reviewing the substantial amount of information that the company had provided the FMA to assist it in its investigation against the individuals, EROAD was confident that no data about staff, suppliers, customers or stakeholders had been compromised.

"The information relating to this matter concerns EROAD historic financial information allegedly used for personal share trading," he said.

"While this is nonetheless a serious matter, we can assure our stakeholders that we remain vigilant with respect to protecting the integrity of our customer-facing systems and all third party data."



He said that the company would be making no comment on the FMA's proceedings, which were matters before the courts. Questions on this matter should be addressed to the FMA.

Summary

- EROAD supports and endorses the FMA's commitment to the integrity of the capital markets in New Zealand, and EROAD has fully co-operated with and assisted the FMA throughout its investigation against the individuals.
- Staff training and information on the disclosure of confidential information and share trading is provided recurrently. Adherence to strict confidentiality requirements is a condition of employment at EROAD.
- The FMA announcement relates to actions taken by two individuals in September 2015, and EROAD's conduct is not the subject of investigation. The FMA alleges that the former employee traded 15,000 EROAD shares in this period.

A copy of the FMA media announcement is available at <https://fma.govt.nz/news/media-releases/>.

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