

Performance Share Terms

The details of the terms of the Performance Shares referred to in the "Proposed issue of securities - CYQ" announcement released on or about the same time as this announcement are set out in Appendix 1.

This announcement has been authorised by Tim Slate, the Company Secretary of the Company.

Contact: **Xavier Kris**
 info@cycliq.com

About Cycliq

Cycliq is a smart safety, action and sport cycling company based in, Australia, manufacturing and marketing the world-first cycling light and camera safety system the Fly6 and Fly12.

More than 100,000 of the Fly bike cameras have been shipped around the world to over 50 countries since the company was founded in 2012. Cycliq has operations in Australia and China, with direct-to-consumer sales from the company website and Amazon, and access to more than 6,000 retail points of presence through a network of regional distribution and retail partners in the USA, Asia-Pacific, EU and UK.

For more information about Cycliq, please visit www.cycliq.com

APPENDIX 1

Terms of Performance Shares

definitions For the purpose of these terms and conditions, italicised terms not defined in this section of *schedule 1* have the meaning given in the *terms sheet*.

change of control event means

- (a) the occurrence of:
 - (i) the offeror under a takeover offer in respect of all *shares* announcing that it has achieved acceptances in respect of 50.1% or more of the *shares*; and
 - (ii) that takeover bid has become unconditional; or
- (b) the announcement by the *company* that:
 - (i) *shareholders* have at a Court-convened meeting of *shareholders* voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all *shares* are to be either:
 - A. cancelled; or
 - B. transferred to a third party; and
 - (ii) the Court, by order, approves the proposed scheme of arrangement.

company means Cycliq Group Ltd (ACN 119 749 647)

expiry date has that meaning given to it in item (b) in the row below.

holder means a holder of a *performance share*.

milestone means a performance milestone set out in items (a)(i) to (a)(ii) in the row below.

conversion of performance shares

- (a) Milestones

The *performance shares* will vest, and be convertible into *shares*, on the achievement of the following *milestones* and in the following amounts:

 - (i) (***tranche A performance shares***) 10,000,000 performance shares vesting on provision of 12-months of continual services over 12 months from the date 1 August 2022;
 - (ii) (***tranche B performance shares***) 15,000,000 performance shares vesting on provision of 24-months of continual services over 24 months from the date 1 August 2022;
 - (b) Conversion notice

A *performance share* may be converted by the *holder* giving written notice to the *company* (***conversion notice***) prior to the date that is 30 months from the date of issue of the *performance share* (***expiry date***).

No payment is required to be made for conversion of a *performance share* to a *share*.
 - (c) Lapse

To the extent that the *performance shares* have not converted into *shares* on or before the *expiry date*, then all such unconverted *performance shares* held by each *holder* will automatically lapse.
 - (d) Issue of shares

The *company* will issue a *share* on conversion of a *performance share* within 10 *business days* following the conversion or such period required by the *listing rules*.
 - (e) Holding statement
-

	The <i>company</i> will issue the <i>holder</i> with a new holding statement for any <i>share</i> issued on conversion of a <i>performance share</i> within 10 <i>business days</i> following the issue of the <i>share</i>.
	(f) Ranking of shares Each <i>share</i> into which the <i>performance shares</i> will convert will, on issue: (i) rank equally in all respects (including, without limitation, rights relating to dividends) with other issued <i>shares</i>; (ii) be issued credited as fully paid; (iii) be duly authorised and issued by all necessary corporate action; and (iv) be issued free from all liens, charges and encumbrances whether known about or not including statutory and other pre-emption rights and any transfer restrictions.
<i>conversion on change of control of company</i>	If there is a <i>change of control event</i> in relation to the <i>company</i> prior to the conversion of the <i>performance shares</i>, then the <i>milestones</i> will be deemed to have been achieved by the <i>date of the change of control event</i>, and each <i>performance share</i> will automatically and immediately convert into <i>shares</i>.
<i>takeover provisions</i>	(a) If the conversion of <i>performance shares</i> under these terms and conditions would result in any person being in contravention of section 606(1) of the <i>Corporations Act</i> then the conversion of each <i>performance share</i> that would cause the contravention will be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1) of the <i>Corporations Act</i>. Following a deferment under this paragraph, the <i>company</i> will at all times be required to convert that number of <i>performance shares</i> that would not result in a contravention of section 606(1) of the <i>Corporations Act</i>. (b) The <i>holders</i> will give notification to the <i>company</i> in writing if they consider that the conversion of <i>performance shares</i> under these terms and conditions may result in the contravention of section 606(1) of the <i>Corporations Act</i>, failing which the <i>company</i> will assume that the conversion of <i>performance shares</i> under these terms and conditions will not result in any person being in contravention of section 606(1) of the <i>Corporations Act</i>. (c) The <i>company</i> may (but is not obliged to) by written notice request the <i>holders</i> to give notification to the <i>company</i> in writing within seven days if they consider that the conversion of <i>performance shares</i> under these terms and conditions may result in the contravention of section 606(1) of the <i>Corporations Act</i>. If the <i>holders</i> do not give notification to the <i>company</i> within seven days that they consider the conversion of <i>performance shares</i> under these terms and conditions may result in the contravention of section 606(1) of the <i>Corporations Act</i> then the <i>company</i> will assume that the conversion of <i>performance shares</i> under these terms and conditions will not result in any person being in contravention of section 606(1) of the <i>Corporations Act</i>.
<i>rights attaching to performance shares</i>	(a) Notice of satisfaction of milestone (i) The <i>company</i> will give written notice to the <i>holder</i> (<i>milestone notice</i>) promptly following satisfaction of a <i>milestone</i> or lapse of a <i>performance share</i> where the <i>milestone</i> is not satisfied. (ii) Where the <i>milestone notice</i> gives notice of lapse of a <i>performance share</i>, the <i>milestone notice</i> must include information on how and when the <i>company</i> determined whether or not a <i>milestone</i> had been achieved. (iii) Where a <i>holder</i> disputes the <i>company's</i> finding that a <i>milestone</i> has not been achieved and <i>performance shares</i> have lapsed, the <i>parties</i> may appoint an independent auditor to review that decision. In the event that the <i>parties</i>

cannot agree on an independent auditor, an independent expert will be appointed by the Resolution Institute.

- (iv) Should an independent auditor or an independent expert be appointed in accordance with paragraph (a)(iii) and subsequently find in favour of the *holder*, the *expiry date* shall be extended from the date of communication of the final finding by the auditor/expert to allow the *holder* reasonable and sufficient time to give a *conversion notice*.

(b) Entitlement

Each *performance share* entitles the *holder* to subscribe for one *share* in the capital of the *company* upon satisfaction of the *milestone* and issue of the *conversion notice* by the *holder*.

(c) No voting rights

A *performance share* does not entitle a *holder* to vote on any resolutions proposed at a general meeting of shareholders of the *company*.

(d) No dividend rights

A *performance share* does not entitle a *holder* to any dividends.

(e) No right to surplus profits or assets

A *performance share* does not entitle a *holder* to participate in the surplus profits or assets of the *company* upon winding up of the *company*.

(f) No right to a return of capital

A *performance share* does not entitle a *holder* to a return of capital, whether upon winding up of the *company*, upon a reduction of capital or otherwise.

(g) Not transferable

A *performance share* is not transferable.

(h) Reorganisation of capital

If there is a reorganisation (including, without limitation, consolidation or sub-division, but excluding a return of capital) of the issued capital of the *company*, the rights of a *holder* will be varied (as appropriate) in accordance with the *listing rules* which apply to reorganisation of capital at the time of the reorganisation, so long as the reorganisation does not prejudice the holder.

(i) Quotation of shares on conversion

An application will be made by the *company* to *ASX* for official quotation of the *shares* issued upon the conversion of each *performance share* within the time period required by the *listing rules*.

(j) Participation in entitlements and bonus issues

A *performance share* does not entitle a *holder* to participate in new issues of capital offered to holders of *shares*, such as bonus issues and entitlement issues.

(k) No other rights

A *performance share* does not give a *holder* any other rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
