

4 December 2020

TERMS OF OPTIONS

All Control Bionics Limited options, which have not been issued pursuant to the Employee Share Option Plan (**Non-ESOP Options**), are issued on the below terms.

As at the date of this notice, there are total of 6,989,633 Non-ESOP Options issued on the below terms.

Option Terms and Conditions

1. Entitlement

Each Option entitles the holder to subscribe for one fully paid ordinary share (**Share**) in the capital of Control Bionics Limited ACN 116 465 462 (**Control Bionics** or **Company**) upon exercise of the Option.

2. Exercise Price

The exercise price for each Option is \$0.21 (**Exercise Price**).

3. Expiry Date

Each Option will expire on the date specified in the Company's Option Register as the expiry date or, if no such date is specified, 5 years from the date of issue (**Expiry Date**).

An Option not exercised before the Expiry Date will automatically lapse at 5pm Sydney time on the Expiry Date.

4. Exercise Period

The Options are exercisable at any time between the period beginning on the date of their grant and ending on the Expiry Date (**Exercise Period**), subject to any applicable escrow period.

5. Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company (**Notice of Exercise**) and payment of the relevant Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

6. Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the relevant Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

7. Timing of issue of the Shares on exercise

Within 15 Business Days after receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised the Company will:

- (a) allot and issue the Shares pursuant to the exercise of the Options; and
- (b) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

8. Shares issued on exercise

The Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

9. Quotation of the Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

10. Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the *Corporations Act 2001* (Cth) and the ASX Listing Rules (**Listing Rules**) at the time of the reconstruction.

11. Participation in new issues

There are no participation rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to the Company's shareholders during the currency of the Options without exercising the Options.

12. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the Options held by the holder had been exercised before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

13. No adjustment for rights issue

Neither the Exercise Price nor the number of underlying Shares into which one Option is exercisable will change in circumstances where the Company makes an issue of Shares pro rata to existing shareholders.

14. Unquoted

The Company will not apply for quotation of the Options on ASX.

15. Transferability

The Options are non-transferable.

16. Participation in Dividends

The Options do not entitle the Optionholder to participate in any dividends.

17. Voting

The Options do not carry a right to vote.

18. Paramountcy

In the event of any conflict or inconsistency between these terms and conditions and the Listing Rules, the Listing Rules will prevail.