CAVALIER
CORPORATION

MARKET RELEASE
24 December 2020

Establishment of Cavalier Corporation Limited Long-Term Incentive Scheme

Cavalier Corporation Limited ("Cavalier") (NZX: CAV) today announces the issue of performance rights that are convertible into ordinary shares of Cavalier to selected executive employees pursuant to a new long-term incentive scheme ("Scheme").

The Scheme is designed to promote employee retention, further align shareholder and management interests and reward performance that underpins the achievement of Cavalier's business strategy and long-term shareholder wealth creation.

Under the Scheme, the rights are convertible into shares on 1 May 2023 if, among other things, the Company's total shareholder return exceeds 14% per annum over the period from 1 November 2020 to 1 May 2023 (the performance period).

The number of shares that will be issued to each executive employee will depend on the extent to which total shareholder return exceeds 14% per annum over the performance period and the price of a Cavalier ordinary share at the time the rights are convertible into shares, save that the total number of shares to be issued to all the executive employees would not exceed the 3% threshold in the NZX Listing Rules.

These shares will be subject to restrictions on dealing for a two-year restriction period, as follows:
- 40% of shares will be able to be dealt with on and from the issue date;
- 30% of shares will be able to be dealt with one year from the issue date; and
- 30% of shares will be able to be dealt with two years from the issue date.

The share price at the start of the performance period is $0.3141, being the volume weighted average sale price for a Cavalier share, calculated on all price setting trades of shares which took place on the NZX Main Board over the 20 business days before 1 November 2020.

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