FAMILY ZONE CYBER SAFETY LIMITED

Option Terms and Condition

The Exercise Price and Expiry Date of the Unlisted Options are outlined below.

Option class	Number of Options	Exercise Price	Expiry Date
Incentive Options	4,000,000	$0.25	20 May 2019
Attaching and Prospectus Options	10,093,750	$0.25	Three (3) years following Official Quotation of the Company's Shares on ASX

The general terms and conditions attaching to the Unlisted Options are outlined below:

(a) The Unlisted Options entitle the holder to subscribe for one Share upon the exercise of each Unlisted Option.

(b) The Unlisted Options are exercisable at any time on or prior to the Expiry Date.

(c) The Unlisted Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Unlisted Option received by the Company will be deemed to be a notice of the exercise of that Unlisted Option as at the date of receipt.

(d) Shares issued on exercise of the Unlisted Options will rank equally with the then issued Shares of the Company.

(e) If application is made by the Company to ASX for official quotation of its Shares, the Company will not apply to ASX for quotation of the Unlisted Options. The Company reserves the right to apply for Official Quotation of the Unlisted Options in the future.

(f) If the Shares of the Company are quoted on the ASX at the time of exercise of the Unlisted Options, application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Unlisted Options.

(g) After an Unlisted Option is validly exercised, the Company must as soon as possible following receipt of the Notice of Exercise and receipt of cleared funds equal to the sum payable on the exercise of the Unlisted Option:

  (i) issue the Share; and

  (ii) if the Shares of the Company are quoted on the ASX at the time of exercise of the Unlisted Options, do all such acts, matters and things to obtain the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Unlisted Option.

(h) There are no participation rights or entitlements inherent in the Unlisted Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Unlisted Options.

(i) 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)

(i) the number of Shares which must be issued on the exercise of an Unlisted Option will be increased by the number of Shares which the option holder would have received if the option holder had exercised the Unlisted Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

(j) If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price of an Unlisted Option.

(k) If there is any reorganisation of the issued share capital of the Company, the rights of the option holder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.

(l) The Unlisted Options are not transferable, except with the prior written approval of the Board of directors of the Company and subject to compliance with the Corporations Act.

(m) Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.