

FAMILY ZONE CYBER SAFETY LIMITED

IMPORTANT INFORMATION IN REGARD TO SHAREHOLDER MEETING VOTING

In light of the global outbreak of the Coronavirus (COVID 19) and the guidance and restrictions on travel and public gatherings, the Board of Family Zone Cyber Safety Limited (**Family Zone or Company**) has decided that special arrangements will apply to our upcoming Shareholder Meeting.

Notice is hereby given that the Shareholder Meeting will be held at
945 Wellington Street, West Perth on 1 May 2020 at 10am (WST) however

IN THE INTERESTS OF PUBLIC HEALTH AND SAFETY OF OUR SHAREHOLDERS, THE COMPANY IS NOT ABLE TO ALLOW SHAREHOLDER TO PHYSICALLY ATTEND THE SHAREHOLDER MEETING.

ALL RESOLUTIONS WILL BE DECIDED BASED ON PROXY VOTES WHICH MUST BE RECEIVED BY 10AM (WST) 29 APRIL 2020.

How Shareholders Can Participate:

1. Shareholders are strongly urged to **appoint the Chair of the Meeting as their proxy**. Shareholders can complete the proxy form to provide specific instructions on how a Shareholder's vote is to be exercised on each item of business, and the Chair of the Meeting must follow your instructions. Lodgement instructions (which include the **ability to lodge proxies electronically**) are set out in the Proxy Form attached to the Notice of Meeting.
2. Shareholders may **submit questions in advance of the Shareholder Meeting** to the Company. Questions must be submitted by completing the form on the Company's website at <https://www.familyzone.com/anz/investor-centre>. Responses will be posted on the Company's website and lodged on the ASX Platform prior to the commencement of the Meeting, for all valid questions received prior to 10am (WST) 29 April 2020.
3. Shareholders will also have the opportunity **to submit questions during the Meeting** in respect to the formal items of business as well as general questions in respect to the Company and its operations.
4. The Shareholder Meeting will be accessible to all Shareholders via a **live webinar**, which will allow Shareholders to listen and observe the Meeting. To register and access the Shareholder Meeting by webinar Shareholders should register by clicking [here](#) or copying the link below to your web browser https://familyzone.zoom.us/webinar/register/WN_d0qqbKqxQdC0G-2G6tx_ng and you will be emailed a link to join the Shareholder Meeting. The registration link will also be available on the Company's website at <https://www.familyzone.com/anz/investor-centre>.

The situation regarding COVID-19 is evolving rapidly and Family Zone is following the health advice of the Australian Government. Shareholders are encouraged to monitor the Company's ASX announcements and website for any further updates in relation to arrangement for the Company's Shareholder Meeting

FAMILY ZONE CYBER SAFETY LIMITED

ACN 167 509 177

NOTICE OF GENERAL MEETING

TIME: 10.00am (WST)

DATE: Friday 1 May 2020

PLACE: 945 Wellington Street, West Perth WA

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Emma Wates on (+61 8) 9322 7600.

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IMPORTANT INFORMATION

Time and place of Meeting

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00am (WST) on Friday 1 May 2020 at 945 Wellington Street, West Perth, Western Australia.

Your vote is important

The business of the General Meeting affects your shareholding and your vote is important. You should read this Notice and the Explanatory Statement carefully before deciding how to vote on the Resolutions.

Voting in person

In the interests of public health and safety of our Shareholders, the Company is **not able to allow Shareholders to physically attend the Shareholder Meeting.**

Please refer to the front page of this Notice of Meeting for further information on how Shareholders can participate.

Voting by proxy

A Proxy Form is enclosed with the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company; and
- a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms

Voting Prohibition by Proxy Holders

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment on Resolutions 4, 5 and 6 if the person is either:

- a member of the Key Management Personnel of the Company; or
- a Closely Related Party of such a member, and

the appointment does not specify the way the proxy is to vote on Resolutions 4, 5 and 6

However, the prohibition does not apply if the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even if Resolutions 4, 5 and 6 are connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

BUSINESS OF THE GENERAL MEETING

Notice is given that the General Meeting of Shareholders will be held at 10.00am (WST) on Friday 1 May 2020 at 945 Wellington Street, West Perth.

The Explanatory Statement provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form form part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 7:00pm (AEDT) on 29 April 2020.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

AGENDA

ORDINARY BUSINESS:

1. RESOLUTION 1 – RATIFICATION OF ISSUE OF SHARES TO AN ADVISOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 70,255 Shares to TR Nominees Pty Ltd on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of TR Nominees Pty Ltd or any of its associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. RESOLUTION 2 – RATIFICATION OF AGREEMENT TO ISSUE SHARES PURSUANT TO THE BRAND AMBASSADOR AGREEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the agreement to issue Shares to Michael Clarke (and/or his nominees) pursuant to the Brand Ambassador Agreement, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Michael Clarke and his nominees or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES TO EXECUTIVES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 1,856,507 Shares to Executives on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Executives or any of their associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. RESOLUTION 4 – AUTHORITY TO ISSUE REMUNERATION SHARES TO PETER PAWLOWITSCH

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11, and for all other purposes, approval is given for the Company to issue the number of Shares determined by the Market Value Formula

to Mr Peter Pawlowitsch (and/or his nominees) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Peter Pawlowitsch and his nominees or a person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. RESOLUTION 5 – AUTHORITY TO ISSUE PERFORMANCE RIGHTS TO TIM LEVY

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.14, and for all other purposes, approval is given for the Company to grant up to 1,071,429 Remuneration Performance Rights, 1,250,000 Executive Performance Rights, 300,000 Employee Performance Rights (comprising 100,000 Class A Employee Performance Rights, 100,000 Class B Employee Performance Rights and 100,000 Class C Employee Performance Rights) and 1,000,000 SP Performance Rights (comprising 100,000 Class A SP Performance Rights, 200,000 Class B SP Performance Rights, 300,000 Class C SP Performance Rights and 400,000 Class D SP Performance Rights) to Mr Tim Levy (or his nominees) under the Performance Rights Plan on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director who is eligible to participate in the Performance Rights Plan and their nominees, or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. RESOLUTION 6 – AUTHORITY TO ISSUE PERFORMANCE RIGHTS TO CRISPIN SWAN

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.14, and for all other purposes, approval is given for the Company to grant up to 814,286 Remuneration Performance Rights, 1,250,000 Executive Performance Rights and 300,000 Employee Performance Rights (comprising 100,000 Class A Employee Performance Rights, 100,000 Class B Employee Performance Rights and 100,000 Class C Employee Performance Rights) to Mr Crispin Swan (or his nominees) under the Performance Rights Plan on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: *The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director who is eligible to participate in the Performance Rights Plan and their nominees, or any associates of those persons.*

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. RESOLUTION 7 – APPROVAL FOR CANCELLATION OF PERFORMANCE SHARES

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

"That, for the purposes of section 256C(2) of the Corporations Act, the Constitution and for all other purposes, approval is given for the Company to undertake a selective reduction of capital and cancel 10,499,998 Class C Performance Shares for nil consideration with effect from the date 14 days after this Resolution is lodged with ASIC, on the terms and conditions set out in the Explanatory Statement"

8. RESOLUTION 8 – AMENDMENT TO CONSTITUTION

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 136(2) of the Corporations Act, the Constitution of the Company be modified by making the amendment contained in the document tabled at the Meeting and signed by the Chair for the purposes of identification, with effect from the passing of this Resolution.”

DATED: 20 MARCH 2020

BY ORDER OF THE BOARD



**EMMA WATES
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 10.00am (WST) on, Friday 1 May 2020 at 945 Wellington Street, West Perth Western Australia.

This Explanatory Statement should be read in conjunction with and forms part of the accompanying Notice of Meeting. The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

Proxy forms have been sent out with this Notice.

1. RESOLUTION 1– RATIFICATION OF PRIOR ISSUE

1.1 General

On 15 November 2019, the Company issued 70,255 Shares (**Advisor Shares**) to BW Equities nominee, TR Nominees Pty Ltd, in lieu of cash fees for corporate advisory services provided by BW Equities. BW Equities was engaged to provide corporate advisory services to the Company which included general advice in respect to ASX announcements, investor presentations, business strategy, market updates and research insights and received a corporate advisory retainer of \$5,000 per month, which has now ceased. BW Equities agreed to receive 70,255 Shares at an indicative issue price of \$0.225 per Share as payment for cash invoices totalling \$15,807.

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2 set out various types of equity issues that are excluded from the operation of Listing Rule 7.1 and 7.1A. The issue of the Advisor Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Advisor Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 1 seeks Shareholder approval for the issue of the Advisor Shares under and for the purposes of Listing Rule 7.4.

If Resolution 1 is passed, the issue of the Advisor Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the Advisor Shares.

If Resolution 1 is not passed, the issue of the Advisor Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the Advisor Shares.

Resolution 1 is an ordinary resolution.

1.2 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5 information regarding the issue of the Advisor Shares is provided as follows:

- (a) 70,255 Shares were issued by the Company on 15 November 2019 to BW Equities nominee, TR Nominees Pty Ltd.
- (b) The Advisor Shares were issued for nil cash consideration as the Advisor Shares were issued in lieu of cash fees for corporate advisory services provided by BW Equities. Accordingly no funds were raised from the issue.
- (c) The Advisor Shares were issued at a deemed issue price of \$0.225 per Share in lieu of cash fees payable of \$15,807.
- (d) The Advisor Shares are fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (e) The Advisor Shares were issued to TR Nominees Pty Ltd who is not a related party of the Company.
- (f) A voting exclusion statement is included in the Notice.

2. RESOLUTION 2 – AUTHORITY TO ISSUE SHARES PURSUANT TO THE BRAND AMBASSADOR AGREEMENT

2.1 General

In March 2019 the Company entered into a two year Brand Ambassadorial Agreement with Mr Michael Clarke to provide general media endorsements and social media postings. Pursuant to the Brand Ambassadorial Agreement, Mr Clarke receives \$50,000 per annum in cash and \$100,000 per annum paid through the issue of Shares issued at a price equal to the higher of \$0.20 and the 30-day VWAP of the Shares on ASX as at the date of the agreement for the first year and the first anniversary of the agreement for the second year. Any Shares issued under the Brand Ambassadorial Agreement are subject to 12 months voluntary escrow from the date of issue. Refer to the ASX announcement on 28 March 2019 for further details on the Brand Ambassadorial Agreement.

On 8 April 2019 the Company issued 500,000 Shares to Michael Clarke's nominee, for the first year of services provided by Michael Clarke under the Brand Ambassadorial Agreement. The Company is seeking Shareholder approval to issue further Shares for services to be provided by Michael Clarke for the second year of the Brand Ambassadorial Agreement. The Company will issue such number of Shares (**Year 2 Ambassador Shares**) to Michael Clarke (and/or his nominees) as determined in accordance with the following formula:

$$\text{Year 2 Ambassador Shares} = \frac{100,000}{\text{Issue Price}}$$

Where the Issue Price is the higher of \$0.20 and the 30-day VWAP of the Shares on ASX 26 March 2020 (being the first anniversary of the Brand Ambassadorial Agreement).

Outlined below are examples of the number of Shares that would be issued to Mr Clarke under differing Share price scenarios. As at [16 March 2020] the 30 day VWAP of the Company's Shares was \$0.12.

30 day VWAP of Shares prior to 26 March 2020 (A)	\$0.12	\$0.20	\$0.25
Issue Price (higher of A above or \$0.20)	\$0.20	\$0.20	\$0.25
Formula	$100,000 / 0.20$	$100,000 / 0.20$	$100,000 / 0.25$
Year 2 Ambassador Shares	500,000	500,000	400,000

A summary of Listing Rule 7.1 is set out in Section 1.1.

The agreement to issue the Year 2 Ambassador Shares does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1 reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date that the Company entered into the Brand Ambassadorial Agreement.

A summary of Listing Rule 7.4 is set out in Section 1.1.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 2 seeks Shareholder approval to the agreement to issue the Year 2 Ambassador Shares under and for the purposes of Listing Rule 7.4.

If Resolution 2 is passed, the agreement to issue the Year 2 Ambassador Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date that the Company entered into the Brand Ambassadorial Agreement.

If Resolution 2 is not passed, the agreement to issue the Year 2 Ambassador Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date that the Company entered into the Brand Ambassadorial Agreement.

Resolution 2 is an ordinary resolution.

2.2 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5, information regarding the agreement to issue the Year 2 Ambassador Shares pursuant to the Brand Ambassadorial Agreement is provided as follows:

- (a) The maximum number of Year 2 Ambassador Shares that the Company may issue to pursuant to the Brand Ambassadorial Agreement under Resolution 2 will be determined by the formula in Section 2.1.
- (b) The Year 2 Ambassadorial Shares will be issued to Michael Clarke (and/or his nominees) who are not a related party of the Company.

- (c) The Year 2 Ambassadorial Shares may be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (d) The Year 2 Ambassadorial Shares will be issued for nil cash consideration as part of the fees for services to be provided by Michael Clarke, including general media endorsements and social media posting, under the Brand Ambassadorial Agreement. Accordingly no funds will be raised from the issue of the Year 2 Ambassador Shares.
- (e) The Year 2 Ambassador Shares will be issued at the higher of \$0.20 per Share and the 30 day VWAP of the Company's Shares on ASX on 26 March 2020 (being the first anniversary of the Brand Ambassadorial Agreement).
- (f) The Year 2 Ambassadorial Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company. The Year 2 Ambassadorial Shares will be voluntarily escrowed for 12 months from the date of issue.
- (g) A summary of the material terms of the Brand Ambassadorial Agreement is set out in Section 2.1.
- (h) A voting exclusion statement is included in the Notice.

3. RESOLUTION 3 - RATIFICATION OF PRIOR ISSUE OF SHARES TO EXECUTIVES

3.1 Background - Remuneration and Incentive Plan

As announced on 2 March 2020, the Company has implemented a remuneration and incentive plan for its staff for 2020 which includes security based remuneration with both short and longer term incentives. The objectives of the remuneration and incentive plan is to:

- Conserve cash by converting cash based remuneration to security based remuneration;
- Attract and retain staff;
- Align executives' incentives to the Company's annual recurring revenue target; and
- Align remuneration with shareholders through employees having an equity interest in the Company.

The remuneration and incentive plan for 2020 comprises the following key components:

Remuneration in Securities

To demonstrate their commitment and confidence in the Company and to continue to support cashflow, Executives and a non-executive Director have agreed to **convert part of their cash based remuneration** to security based remuneration for 12 months.

The Company issued 1,856,507 Shares (**Executive Remuneration Shares**) and 2,049,428 Remuneration Performance Rights to the Executives on 2 March 2020 in lieu of part of their cash salary for the following 12 months. The Company determined the number of Executive Remuneration Shares to be issued to the Executives based on an issue price of \$0.126 each, which was the 5 day VWAP of Shares prior to the issue date. The number of Remuneration Performance Rights was determined based on an issue price of \$0.14 each, which was the issue price of the last capital raising undertaken by the Company.

A number of Directors have also agreed (subject to Shareholder approval) to receive all or part **of their cash remuneration in Securities** (refer to Section 4.1 for further details).

Employee Incentive Scheme

The Company has introduced an employee incentive scheme across all staff, including Executive Directors, as part of a long term incentive program with the objective of attracting and retaining staff within the business through the issue of Employee Performance Rights under the Performance Rights Plan. On 2 March 2020 the Company issued 4,046,541 Employee Performance Rights to its staff under the Plan. The Employee Performance Rights were issued in three equal tranches which vest subject to continued employment over a 1, 2 and 3 year period.

Executive Incentive Scheme

The Company also introduced an executive incentive scheme for senior staff, including Executive Directors, as part of a short term incentive program focusing on the near term growth of annual recurring revenue. The continued growth of annual recurring revenue has been identified as a key strategic objective of the Company and it is targeting to achieve \$16 million annual recurring revenue by 30 June 2021. On 2 March 2020 the Company issued 3,125,000 Executive Performance Rights to senior staff under the Plan.

The Executive Performance Rights include vesting conditions which focus on the achievement of \$16 million of annual recurring revenue by 30 June 2021. No Executive Performance Rights will vest if the Company does not achieve at least 90% of this target and 100% of the Executive Performance Rights will vest if the Company out-performs the target by 25% achieving annual recurring revenue of \$20 million.

Refer to Schedule 1 for the key terms and conditions of the Remuneration Performance Rights, Employee Performance Rights and Executive Performance Rights issued in accordance with the Company's remuneration and incentive plan.

3.2 General – Issue of Executive Remuneration Shares to Executives

As noted above, the Company issued the Executive Remuneration Shares on 2 March 2020. The Remuneration Performance Rights were issued under the Company's Performance Rights Plan.

A summary of Listing Rule 7.1 is set out in Section 1.1.

The issue of the Executive Remuneration Shares does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Executive Remuneration Shares.

A summary of Listing Rule 7.4 is set out in Section 1.1.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 3 seeks Shareholder approval to the issue of the Executive Remuneration Shares under and for the purposes of Listing Rule 7.4.

If Resolution 3 is passed, the issue of the Executive Remuneration Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the Executive Remuneration Shares.

If Resolution 3 is not passed, the issue of the Executive Remuneration Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the Executive Remuneration Shares.

Resolution 3 is an ordinary resolution.

3.3 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5 information regarding the issue of the Executive Remuneration Shares is provided as follows:

- (a) 1,856,507 Shares were issued by the Company on 2 March 2020 to the Executives.
- (b) The Executive Remuneration Shares were issued for nil cash consideration as the Executive Remuneration Shares were issued in lieu of part of the Executive's cash salary of approximately \$233,920 for the next 12 months. Accordingly no funds were raised from the issue.
- (c) The Executive Remuneration Shares are fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (d) The Executive Remuneration Shares were issued to the Executives, none of whom are related parties of the Company.
- (e) A voting exclusion statement is included in the Notice.

4. RESOLUTION 4 - AUTHORITY TO ISSUE SHARES TO PETER PAWLOWTISCH

4.1 Background – Director Security Based Remuneration

As outlined in Section 3.1 under the Company's remuneration and incentive plan for 2020, the Executives and a Non-executive Director has agreed to receive securities (comprising either Shares and/or Remuneration Performance Rights) in lieu of all or part of their base cash salary for the next 12 months. The base salaries of the Directors agreeing to receive Securities in lieu of their cash salaries is outlined below

Director	Base salary (per annum)
Peter Pawlowitsch	\$80,000
Tim Levy	\$300,000
Crispin Swan	\$300,000

Mr Pawlowitsch has agreed (subject to Shareholder approval) to receive his entire annual salary for the next 12 months in Shares. The number of Shares (**Director Remuneration Shares**) to be issued to Mr Pawlowitsch will be equal to:

80,000/ 5 day VWAP of Shares prior to the issue date of the Director Remuneration Shares

The Company has determined that this formula is an effective way of determining the market price of Shares on the date of issue to Mr Pawlowitsch.

Outlined below are examples of the number of Director Remuneration Shares that would be issued to Mr Pawlowitsch under differing Share price scenarios. As at [16 March 2020] the 5 day VWAP of the Company's Shares was \$0.09.

5 day VWAP of Shares prior to the issue date of the Director Remuneration Shares	0.06	\$0.09	\$0.12	\$0.15
Formula	80,000/0.06	80,000/0.09	80,000/0.12	80,000/0.15
Number of Director Remuneration Shares issued	1,333,333	888,888	666,667	533,333

Mr Levy has agreed to receive 1,071,429 Remuneration Performance Rights in lieu of 50% of his base salary for the next 12 months (representing \$150,000). Resolution 5 seeks Shareholder approval for the issue of the Remuneration Performance Rights to Mr Levy (or his nominee) (refer to Section 5.1 for further details).

Mr Swan has agreed to receive 814,286 Remuneration Performance Rights in lieu of 38% of his base salary for the next 12 months (representing \$114,000). Resolution 6 seeks Shareholder approval for the issue of the Remuneration Performance Rights to Mr Swan (or his nominee) (refer to Section 5.1 for further details).

4.2 General

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) a related party
- (b) a person who is, or was at any time in the six months prior to the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the six months prior to the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them the right or expectation to do so;
- (d) an associate of a person referred to in paragraphs (a) to (c) above; or
- (e) a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Director Remuneration Shares to Mr Pawlowitsch falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires Shareholder approval under Listing Rule 10.11.

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of the Director Remuneration Shares to Mr Pawlowitsch.

If Resolution 4 is passed, the Company will issue the Director Remuneration Shares to Mr Pawlowitsch and this issue will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 4 is not passed then the Director Remuneration Shares will not be issued to Mr Pawlowitsch and he will receive his remuneration for the next 12 months in cash.

Resolution 4 is an ordinary resolution.

4.3 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Director Remuneration Shares to Mr Pawlowitsch constitutes giving a financial benefit and Mr Pawlowitsch is a related party of the Company by virtue of being a Director.

After a review of publicly available information relating to the remuneration structures of several of its peer companies, the Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director Remuneration Shares to Mr Pawlowitsch because the issue of these shares in lieu of cash remuneration is considered reasonable remuneration.

4.4 Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided in relation to Resolution 4:

- (d) The maximum number of Shares to be issued to Mr Peter Pawlowitsch (or his nominee) will be calculated based on the Market Value Formula being

80,000/ 5 day VWAP of Shares prior to the Director Remuneration Share issue date

See Section 4.1 for examples of the number of Shares that may be issued based on various Share prices.
- (e) The Director Remuneration Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (f) Mr Pawlowitsch is a related party of the Company by virtue of being a Director.
- (g) The Director Remuneration Shares will be issued granted for nil cash consideration as they are being issued in lieu of annual cash remuneration payable of \$80,000. Accordingly, no funds will be raised from the issue of these Shares.
- (h) The Director Remuneration Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (i) A voting exclusion statement is included in the Notice.

5. RESOLUTIONS 5 TO 6 - AUTHORITY TO ISSUE PERFORMANCE RIGHTS TO EXECUTIVE DIRECTORS

5.1 Incentive Performance Rights

As outlined in Section 4.1, the Company has agreed to issue 1,885,714 Remuneration Performance Rights to Executive Directors, Tim Levy and Crispin Swan in lieu of a portion of their cash salaries (\$264,000 in aggregate) for the next 12 months.

In addition, Executive Directors, Tim Levy and Crispin Swan are also eligible to participate in the employee incentive scheme and executive incentive scheme outlined in Section 3.1. To reward and incentivise its Executive Directors by linking their remuneration to the achievements of the strategic goals and long term performance of the Company, the Company has agreed, subject to Shareholder approval, to issue a total of 2,500,000 Executive Performance Rights, 600,000 Employee Performance Rights and 1,000,000 SP Performance Rights to its Executive Directors.

A summary of the proposed Performance Rights to be issued to the Executive Directors (together the **ED Performance Rights**) is outlined below.

Director	Remuneration Performance Rights ¹ (in lieu of cash salary)	Executive Performance Rights (represents 100% of short term incentive)	Employee Performance Rights ⁴ (part of long term incentive program)	SP Performance Rights (part of long term incentive program)
Tim Levy	1,071,429 ²	1,250,000	300,000	1,000,000 ⁵
Crispin Swan	814,286 ³	1,250,000	300,000	-
Total	1,885,714	2,500,000	600,000	1,000,000

1. The Company has determined the number of Remuneration Performance Rights to be issued to the Executive Directors based on the issue price of the last capital raising undertaken by the Company being \$0.14
2. To be issued in lieu of \$150,000 of Mr Levy's cash salary.
3. To be issued in lieu of \$114,000 of Mr Swan's cash salary.
4. The Employee Performance Rights are issued in three equal tranches comprising the Class A Employee Performance Rights, Class B Employee Performance Rights and Class C Employee Performance Rights.
5. Comprising 100,000 Class A SP Performance Rights, 200,000 Class B SP Performance Rights, 300,000 Class C SP Performance Rights and 400,000 Class D SP Performance Rights.
6. The terms and conditions of the Performance Rights are outlined in Schedule 1.

The ED Performance Rights are to be issued by the Company under the Performance Rights Plan, which was approved by Shareholders on 28 November 2017.

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- (a) a director of the Company;
- (b) an associate of a director of the Company; or
- (c) a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 to 10.14.2 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the ED Performance Rights to the Executive Directors falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 5 and 6 seek Shareholder approval for the grant of the ED Performance Rights to Messrs Levy and Swan (or their nominees) for the purposes of Listing Rule 10.14.

If Resolutions 5 and 6 are passed, the Company will issue the ED Performance Rights to Messrs Levy and Swan and this issue will not reduce the Company's 15% placement capacity under Listing Rule 7.1. If Resolutions 5 and 6 are not passed then the Company will not issue the ED Performance Rights to Messrs Levy and Swan and they would receive their base salary for the next 12 months in cash.

The ED Performance Rights will be subject to the Vesting Conditions outlined below.

Performance Rights	Vesting Condition	Milestone Date	Number of Performance Rights Vesting	Expiry Date
Remuneration Performance Rights	Continued employment with the Company in existing role from issue date until the Milestone Date	6 months from issue date	100% Remuneration Performance Rights held	3 years from issue date
Executive Performance Rights	The achievement of ARR of \$14.4m by the Milestone Date (being 90% of targeted ARR of \$16 million)	30 June 2021	If the ARR is \$20m or more (which is 125% of the targeted ARR), 100% of the ARR Performance Rights held; OR If the ARR is less than \$20m, the number of ARR Performance Rights vesting is determined based on this formula: $[ARR \text{ at the Milestone Date}^1 / \$16m] \times [(Number \text{ Executive Performance Rights held}) \times (100/125)]$	4 years from issue date
Class A Employee Performance Rights	Continued employment with the Company in existing role from issue date until the Milestone Date	1 year from issue date.	100% of the Class A Employee Performance Rights held	4 years from issue date
Class B Employee Performance Rights	Continued employment with the Company in existing role from issue date until the Milestone Date	2 year from issue date.	100% of the Class B Employee Performance Rights held	4 years from issue date
Class C Employee Performance Rights	Continued employment with the Company in existing role from issue date until the Milestone Date	3 year from issue date.	100% of the Class C Employee Performance Rights held	4 years from issue date
Class A SP Performance Rights	The 30 day VWAP of the Company's Shares being greater than \$0.25 prior to the Milestone Date	3 years from issue date	100% of the Class A Performance Rights held	4 years from issue date
Class B SP Performance Rights	The 30 day VWAP of the Company's Shares being greater than \$0.35 prior to the Milestone Date	3 years from issue date	100% of the Class B Performance Rights held	4 years from issue date
Class C SP Performance Rights	The 30 day VWAP of the Company's Shares being greater than \$0.45 prior to the Milestone Date	3 years from issue date	100% of the Class C Performance Rights held	4 years from issue date
Class D SP Performance Rights	The 30 day VWAP of the Company's Shares being greater than \$0.60 prior to the Milestone Date	3 years from issue date	100% Class D Performance Rights held	4 years from issue date

1. The ARR of the Company as at the Milestone Date (30 June 2021) will be equal to 12 x the consolidated revenue reported by the Company in the month of June 2021, in accordance with Australian Accounting Standards, inclusive of contracted and uncontracted service revenue and exclusive of one off revenue such as installation fees, hardware and any R&D or other grant income.

Once the applicable Vesting Condition has been satisfied, the number of Performance Rights specified in the above table will vest.

The above Performance Rights will each convert into a Share for no consideration on exercise by the holder once vested.

If a Vesting Condition of a Performance Right is not achieved by the applicable Milestone Date, then the Performance Right will lapse. If a vested Performance Right is not exercised on or before the Expiry Date, then the Performance Right will lapse.

If a Change of Control Event (as defined in Schedule 1) occurs prior to the expiry or conversion of a Performance Right, then the Performance Right will convert.

The principle terms of the Performance Rights are summarised in Schedule 1. Further terms and conditions of the Performance Rights are set out in the Performance Rights Plan a summary of which is provided in Schedule 2.

Outlined below are examples of the number of Executive Performance Rights that will vest under differing annual recurring revenue scenarios

Consolidated revenues reported for the month of June 2021 ¹ = (A)	\$1.1m	\$1.3m	\$1.6m	\$1.8m
ARR (A x12)	\$13.2m	\$15.6m	19.2m	\$21.6m
Number of Executive Performance Rights held by Executive Directors	2,500,000	2,500,000	2,500,000	2,500,000
Number of Executive Performance Rights vesting ²	0	1,950,000	2,400,000	2,500,000

1. Inclusive of contracted revenue and uncontracted revenue and exclusive of one off revenues such as installation fees, hardware and any R&D or other grant revenue

2. Calculated using formula below

$$[ARR \text{ at the Milestone Date}^1 / \$16m] \times [(Number \text{ Executive Performance Rights held}) \times (100/125)]$$

Shareholder approval is required for the grant of the Performance Rights under the Performance Rights Plan to Mr Levy and Mr Swan under Listing Rule 10.14 because they are Directors of the Company.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required. Accordingly, the issue of ED Performance Rights to the Directors will not reduce the Company's 15% capacity for the purposes of Listing Rule 7.1.

5.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the ED Performance Rights to Messrs Levy and Swan constitutes giving a financial benefit and Messrs Levy and Swan are related parties of the Company by virtue of being Directors.

After a review of publicly available information relating to the remuneration structures of several of its peer companies, the Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the ED Performance Rights to Messrs Levy and Swan because the issue of these securities is considered reasonable remuneration.

5.3 Information required by Listing Rule 10.15

For the purposes of Listing Rule 10.15, the following information is provided in relation to Resolutions 5 and 6:

- (a) The maximum number of securities to be issued to
- (i) Mr Levy (or his nominee) under Resolution 5 is:
- (A) 1,071,429 Remuneration Performance Rights;
 - (B) 300,000 Employee Performance Rights (comprising 100,000 Class A Employee Performance Rights, 100,000 Class B Employee Performance Rights and 100,000 Class C Employee Performance Rights);
 - (C) 1,250,000 Executive Performance Rights; and
 - (D) 1,000,000 SP Performance Rights (comprising 100,000 Class A SP Performance Rights, 200,000 Class B SP Performance Rights, 300,000 Class C SP Performance Rights and 400,000 Class D SP Performance Rights).
- (ii) Mr Swan (or his nominees) under Resolution 6 is:
- (A) 814,286 Remuneration Performance Rights;
 - (B) 300,000 Employee Performance Rights (comprising 100,000 Class A Employee Performance Rights, 100,000 Class B Employee Performance Rights and 100,000 Class C Employee Performance Rights); and
 - (C) 1,250,000 Executive Performance Rights; and
- (b) Approval is required to issue the ED Performance Rights to Mr Swan and Mr Levy as they fall within Listing Rule 10.14.1 by virtue of being Directors.
- (c) The value attributed to each of the Performance Rights is outlined below. These values are based on an independent valuation by Stantons International Securities Pty Ltd (**Stantons**) at a deemed grant date of 9 March 2020.

	Value per Performance Right
Remuneration Performance Right	\$0.0950
Employee Performance Right	\$0.0950
Executive Performance Right	\$0.0950
Class A SP Performance Rights	\$0.0716
Class B SP Performance Rights	\$0.0600
Class C SP Performance Rights	\$0.0538
Class D SP Performance Rights	\$0.0470

Independent accountants, Stantons have determined the value attributed to the Remuneration Performance Rights, Employee Performance Rights and Executive Performance Rights (all which have non-market based vesting conditions) using the Black & Scholes valuation methodology. For valuation purposes these Performance Right are considered zero priced options given they will be issued for nil consideration and no consideration is payable on their conversion into Shares. The non-market based vesting conditions have not been taken into account in assessing the fair value of the Remuneration Performance Rights, Employee Performance Rights and Executive Performance Rights.

Key input assumptions to the Black & Scholes valuation include, the Company's Share price on the deemed grant date of 9 March 2020, the exercise price, the term of the Performance Right, the expected volatility of the underlying Shares (based on 12 month historic volatility of the Shares), the expected dividend yield and the risk-free interest rate for the term of the Performance Rights.

The SP Performance Rights (which are subject to market based vesting conditions) have been valued using the Monte Carlo simulation methodology which incorporates the effect of the market based vesting conditions directly into the Monte Carlo simulation. Under this model, the SP Performance Rights value has been estimated using the average present value of the payoff of 100,000 simulated outcomes.

Based on these valuations, the implied total value of the ED Performance Rights to be issued to:

- (i) Mr Levy under Resolution 5 is \$303,136; and
- (ii) Mr Swan under Resolution 6 is \$224,607.

Refer to Section 5.3(d) below for further details in regard to Executive Director remuneration.

- (d) The Executive Directors total remuneration package based on the indicative values attributed to the ED Performance Rights outlined in Section 5.3(c) is outlined in the table below.

Director	Cash Remuneration	Total Security based remuneration				Total
		Remuneration Performance Rights	Employee Performance Rights	Executive Performance Rights	SP Performance Rights	
Tim Levy	\$150,000	\$101,786 ¹	\$28,500	\$118,750	\$54,100	\$453,136
Crispin Swan	\$186,000	\$77,357 ²	\$28,500	\$118,750	-	\$410,607

1. To be issued in lieu of \$150,000 of Mr Levy's cash salary.
2. To be issued in lieu of \$114,000 of Mr Swan's cash salary.

In accordance with Accounting Standards the total value of the Performance Rights will be expensed over the vesting period of the Performance Rights. The Executive Directors' effective 12 month remuneration package, based on the indicative values attributed to the ED Performance Rights outlined in Section 5.3(c) and expensing the total security based remuneration over a 12 month period, is outlined in the table below.

Director	Cash Remuneration	12 months Security based remuneration				Total
		Remuneration Performance Rights	Employee Performance Rights	Executive Performance Rights	SP Performance Rights	
Tim Levy	\$150,000	\$101,786 ¹	\$17,417	\$90,677	\$18,033	\$377,913
Crispin Swan	\$186,000	\$77,357 ²	\$17,417	\$90,677	-	\$371,451,

1. To be issued in lieu of \$150,000 of Mr Levy's cash salary.

2. To be issued in lieu of \$114,000 of Mr Swan's cash salary.

- (d) The Company has previously issued the following Performance Rights to Messrs Levy and Swan (or their nominees) under the Performance Rights Plan:

Name	Number of Performance Rights ¹	Acquisition Price
Freshie Pty Ltd <The Swan Family A/C> ⁴	1,000,000 ²	Nil cash consideration as issued as incentive based remuneration
Freshie Pty Ltd <The Swan Family A/C>	213,333 ³	Nil cash consideration as issued as security based remuneration in lieu of \$48,000 cash salary
Timothy Nominees Pty Ltd <Timothy Family A/C> ⁵	977,778 ³	Nil cash consideration as issued as security based remuneration in lieu of \$220,000 cash salary

1. The Performance Rights are subject to a number of Vesting Conditions. The Performance Rights convert into fully paid ordinary shares (on a one for one basis) on exercise by the holder once vested.

2. Refer to the Company's Notice of Meeting dated 24 October 2017 for full terms and conditions of these Performance Rights

3. Refer to the Company's Notice of Meeting dated 15 March 2019 for full terms and conditions of these Performance Rights

4. An entity controlled by Mr Swan

5. An entity controlled by Mr Levy.

- (e) The ED Performance Rights will be granted with the vesting conditions, milestone date and expiry dates as set out in Section 5.1. The principle terms and conditions of the ED Performance Rights are set out in Schedule 1.

- (f) The Company's remuneration and incentive plan for 2020 (outlined further in Section 3.1) included the issue of Performance Rights as part of short and long term programs to reward and incentivise staff rather than cash based bonuses.

The Remuneration Performance Rights proposed to be issued to Executive Directors are in lieu of cash remuneration of \$264,000 for the next 12 months. As the Company continues to manage its cash costs to progress towards a more sustainable cash flow position this form of remuneration represent a cash cost saving and also highlights the Executive Directors' commitment to the Company having chosen to receive the Remuneration Performance Rights in lieu of a portion of their cash salary.

The Executive Directors are entitled to participate in the Company's employee and executive incentive schemes and are proposed to be issued 600,000 Employee Performance Rights and 2,500,000 Executive Performance Rights. The Employee Performance Rights are a long term incentive to reward and encourage the Executive

Directors' ongoing commitment to the Company with time based vesting conditions. The Executive Performance Rights represent a short term incentive to link their remuneration and reward to the achievement of the Company's strategic goal, being the growth in its annual recurring revenue.

The SP Performance Rights proposed to be issued to Mr Levy as Managing Director reflect his position and again are designed to encourage and align his remuneration and reward to the growth in Shareholder value with share price based vesting targets.

- (g) The ED Performance Rights will be granted no later than 3 years after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).

The ED Performance Rights will be issued for nil cash consideration. The Remuneration Performance Rights are being issued in lieu of cash remuneration payable of \$264,000. The Company has determined the number of Remuneration Performance Rights to be issued to the Executive Directors based on the issue price of the last capital raising undertaken by the Company being \$0.14 each. The other ED Performance Rights are being issued as security incentive based remuneration. Accordingly, no funds will be raised from the issue of the ED Performance Rights. Upon conversion of the ED Performance Rights, Shares will be issued on a one for one basis on the same terms as the Company's existing Shares.

- (h) A summary of the Performance Rights Plan is set out in Schedule 2.
- (i) The Company has not made any loans to Mr Swan and/or Mr Levy in relation to the issue of the ED Performance Rights.
- (j) Details of any securities issued under the Performance Rights Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Performance Rights Plan after Resolutions 5 and 6 are approved and who were not named in the Notice will not participate until approval is obtained under that rule.

- (k) A voting exclusion statement is included in the Notice.

6. RESOLUTION 7 - APPROVAL FOR CANCELLATION OF PERFORMANCE SHARES

On 15 August 2016, the Company issued 9,333,333 Class C Performance Shares to the founders of the Company in consideration for the cancellation of existing Shares held by them as part of the restructure of the Company's share capital prior to its listing on ASX. A further 1,166,665 Class C Performance Shares were issued to senior executives as security based remuneration.

The Class C Performance Shares vest on achievement of \$20,000,000 revenue by the Company over a 12 month rolling period of which 30% is subscription income (as confirmed by the Company's auditor) within 48 months of the Company being admitted to the official list of the ASX (being 29 August 2020).

The Company is seeking to cancel the Class C Performance Shares to remove these from the Company's share capital given that that the vesting condition is unlikely to be met and therefore these securities will lapse on 29 August 2020.

Accordingly, the Company is seeking Shareholder approval pursuant to Resolution 7 to cancel the 10,499,998 Class C Performance Shares.

Resolution 7 is a special resolution.

6.1 Corporations Act Requirements

To enable the Company to make the capital reduction by cancelling the Class C Performance Shares, section 256C(2) of the Corporations Act requires a special resolution of the Shareholders passed at a general meeting. A special resolution is a resolution that has been passed by at least 75% of the votes cast by Shareholders entitled to vote on the resolution, either in person or by proxy.

The cancellation of the Class C Performance Shares must also be approved by a special resolution passed at a meeting of the Class C Performance Shareholders. The Company will hold a meeting of the Class C Performance Shareholders for this purpose immediately prior to this Meeting.

The capital reduction proposed for the Company is a selective reduction because the terms of the reduction will not be the same for all classes of shares on issue. Only the Class C Performance Shares held by the Class C Performance Shareholders will be cancelled.

Section 256B of the Corporations Act provides that a company may reduce its share capital by cancelling shares for no consideration if the reduction:

- (a) is fair and reasonable to the company's shareholders as a whole; and
- (b) is approved by shareholders (as mentioned previously) under section 256C of the Corporations Act.

The Directors of the Company consider that the proposed capital reduction is fair and reasonable to the Company's Shareholders as a whole because the vesting condition for the conversion of the Class C Performance Shares is unlikely to be met and therefore these will lapse in August 2020. Therefore, the Directors consider it appropriate and necessary to cancel the Class C Performance Shares for no consideration.

There is no information known to the Company that is material to the decision on how to vote on the Resolution other than has been disclosed in this Notice.

Under the Corporations Act, the Company may cancel the Class C Performance Shares 14 days after Resolution 7 and the resolution of the Class C Performance Shareholders approving the same cancellation have been passed and lodged with ASIC.

7. RESOLUTION 8 – AMENDMENT TO CONSTITUTION

7.1 General

The Company is currently governed by its Constitution.

Under section 136(2) of the Corporations Act, a Company can modify its constitution or a provision of its constitution by special resolution. Accordingly, the Company seeks Shareholder approval to amend its Constitution by a special resolution of Shareholders as set out below.

A copy of the amended Constitution will be sent to Shareholders on request and will also be available for inspection at the registered office of the Company during normal business hours prior to the Meeting.

Changes to the Listing Rules that commenced on 1 December 2019 require a listed entity's constitution to contain certain provisions regarding Restricted Securities (as that term is defined in the Listing Rules) if the entity has any Restricted Securities on issue. Although the Company does not presently have any Restricted Securities on issue and does not have any present intentions to undertake a transaction which would result in the issue of Restricted Securities, the Board considers it prudent to take this opportunity to update the Constitution to ensure it complies with these new escrow requirements.

With effect from 1 December 2019, the ASX applied a two-tier escrow regime where ASX can require certain more significant holders of Restricted Securities and their controllers to execute a formal escrow agreement in the form of Appendix 9A of the Listing Rules, as was previously the case. However, for less significant holders of Restricted Securities, ASX instead permits an entity to rely on a provision in its constitution imposing appropriate escrow restrictions on the holders of Restricted Securities and to simply give a notice to such holders in the form set out in Appendix 9C of the Listing Rules, advising them of those restrictions.

To facilitate the operation of the new two-tier escrow regime implemented by the ASX, certain changes are required to the customary provisions of constitutions of ASX-listed entities regarding Restricted Securities.

7.2 Proposed Amendment

Articles 4.5(d) and 4.5(f) of the Constitution currently provide as follows:

"(d) Except as permitted by the Listing Rules or ASX, the Company must refuse to acknowledge a disposal (including registering a transfer) of restricted securities during the escrow period for those securities.

...

(f) The Company may apply, or may ask ASX Settlement to apply, a holding lock (including to prevent a transfer, or to refuse to register a paper-based transfer document) where the Applicable Law permits the Company to do so."

Pursuant to Resolution 8, the Company seeks Shareholder approval to delete Articles 4.5(d) and 4.5(f) of the Constitution in their entirety and replace them with the following:

"(d) The Company must comply with the Listing Rules in respect of restricted securities. Without limiting the Company's obligations to comply with the Listing Rules:

- (i) a holder of restricted securities must not Dispose of, or agree to offer to Dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;*
- (ii) if the restricted securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the Company's issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities;*
- (iii) the Company will refuse to acknowledge any Disposal (including, without limitation, to register any transfer), of restricted securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;*

- (iv) *a holder of restricted securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX; and*
- (v) *if a holder of restricted securities breaches a restriction deed or a provision of this Constitution restricting a Disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.*

For the purposes of this Article 4.5(d), "Dispose" has the meaning given to that term in the Listing Rules and Disposal has a corresponding meaning.

- (f) *Without limiting Article 4.5(d), the Company may apply, or may ask ASTC to apply, a holding lock (including to prevent a transfer, or to refuse to register a paper-based transfer document) where the Applicable Law permits the Company to do so."*

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the cast of a corporate Shareholder, by a corporate representative).

8. ENQUIRIES

Shareholders are requested to contact Company Secretary, Emma Wates on (+ 61 8) 9322 7600 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

Advisor Shares has the meaning set out in Section 1.1

ARR means the annual recurring revenue.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

Board means the current board of directors of the Company.

BW Equities means BW Equities Pty Ltd.

Class A Employee Performance Rights means the Performance Rights issued on the terms and conditions outlined in Schedule 1

Class B Employee Performance Rights means the Performance Rights issued on the terms and conditions outlined in Schedule 1

Class C Employee Performance Rights means the Performance Rights issued on the terms and conditions outlined in Schedule 1

Class C Performance Shares means a Performance Share which vests on achievement of the milestone outlined in Section 6.

Class C Performance Shareholders means a holder of a Class C Performance Share.

Class A SP Performance Rights means the Performance Rights issued on the terms and conditions outlined in Schedule 1

Class B SP Performance Rights means the Performance Rights issued on the terms and conditions outlined in Schedule 1

Class C SP Performance Rights means the Performance Rights issued on the terms and conditions outlined in Schedule 1

Class D SP Performance Rights means the Performance Rights issued on the terms and conditions outlined in Schedule 1

Company means Family Zone Cyber Safety Limited (ACN 167 509 177).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Director Remuneration Shares means the Shares proposed to be issued to Mr Peter Pawlowitsch in lieu of 100% of his annual cash salary of \$80,000 for 12 months based on the Market Price Formula

ED Performance Rights has the meaning set out in Section 5.1.

Employee Performance Rights means the Class A Employee Performance Rights, Class A Employee Performance Rights and Class C Employee Performance Rights.

Executives means the senior managers and other key employees of the Company (excluding Directors) that agreed to receive securities in lieu of part of their cash remuneration for the next 12 months.

Executive Performance Rights means the Performance Rights issued on the terms and conditions outlined in Schedule 1

Executive Remuneration Shares has the meaning set out in Section 3.1.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Listing Rules means the Listing Rules of ASX.

Market Value Formula has the meaning given in Section 4.1.

Meeting or **General Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

Performance Right means a performance right issued under the Plan.

Performance Rights Plan or **Plan** means the Family Zone Cyber Safety Limited Performance Rights Plan, an overview of the key terms of which is set out in Schedule 3 of the Company's notice of annual general meeting dated 24 October 2017.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Performance Rights means the Performance Rights issued on the terms and conditions outlined in Schedule 1

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Section means a section contained in this Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

SP Performance Rights means the Class A SP Performance Rights, Class B SP Performance Rights, Class C SP Performance Rights and Class D SP Performance Rights.

VWAP means volume weighted average price

WST means Western Standard Time, being the time in Perth, Western Australia.

Year 2 Ambassador Shares has the meaning set out in Section 2.1.

SCHEDULE 1 – KEY TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The Performance Rights will be granted with the Vesting Condition, Milestone Date and Expiry Date as follows:

Performance Rights	Vesting Condition	Milestone Date	Number of Performance Rights Vesting	Expiry Date
Remuneration Performance Rights	Continued employment with the Company in existing role from issue date until the Milestone Date	6 months from issue date	100% Remuneration Performance Rights held	3 years from issue date
Executive Performance Rights	The achievement of ARR of \$14.4m by the Milestone Date (being 90% of targeted ARR of \$16 million)	30 June 2021	If the ARR is \$20m or more (which is 125% of the targeted ARR), 100% of the ARR Performance Rights held; OR If the ARR is less than \$20m, the number of ARR Performance Rights vesting is determined based on this formula: $[ARR \text{ at the Milestone Date}^1 / \$16m] \times [(Number \text{ Executive Performance Rights held}) \times (100/125)]$	4 years from issue date
Class A Employee Performance Rights	Continued employment with the Company in existing role from issue date until the Milestone Date	1 year from issue date.	100% of the Class A Employee Performance Rights held	4 years from issue date
Class B Employee Performance Rights	Continued employment with the Company in existing role from issue date until the Milestone Date	2 year from issue date.	100% of the Class B Employee Performance Rights held	4 years from issue date
Class C Employee Performance Rights	Continued employment with the Company in existing role from issue date until the Milestone Date	3 year from issue date.	100% of the Class C Employee Performance held	4 years from issue date
Class A SP Performance Rights	The 30 day VWAP of the Company's Shares being greater than \$0.25 prior to the Milestone Date	3 years from issue date	100% of the Class A Performance Rights held	4 years from issue date
Class B SP Performance Rights	The 30 day VWAP of the Company's Shares being greater than \$0.35 prior to the Milestone Date	3 years from issue date	100% of the Class B Performance Rights held	4 years from issue date
Class C SP Performance Rights	The 30 day VWAP of the Company's Shares being greater than \$0.45 prior to the Milestone Date	3 years from issue date	100% of the Class C Performance Rights held	4 years from issue date
Class D SP Performance Rights	The 30 day VWAP of the Company's Shares being greater than \$0.60 prior to the Milestone Date	3 years from issue date	100% Class D Performance Rights held	4 years from issue date
<i>Note 1: The ARR of the Company as at the Milestone Date (30 June 2021) will be equal to 12 x the consolidated revenue reported by the Company in the month of June 2021, in accordance with Australian Accounting Standards, inclusive of contracted and uncontracted service revenue and exclusive of one off revenue such as installation fees, hardware and any R&D or other grant income.</i>				

Once the applicable Vesting Condition has been satisfied, the number of Performance Rights specified in the above table will vest.

The above Performance Rights will each convert into a Share for no consideration on exercise by the holder once vested.

If a Vesting Condition of a Performance Right is not achieved by the applicable Milestone Date, then the Performance Right will lapse. If a vested Performance Right is not exercised on or before the Expiry Date, then the Performance Right will lapse.

The achievement of the Vesting Condition for the Executive Performance Rights is to be independently reviewed by the Company's auditors. The achievement of the Vesting Conditions for all other Performance Rights outlined above will be determined by the Board from time to time.

(No Voting rights) A Performance Right does not entitle a holder to vote on any resolutions proposed at a general meeting of the Company's Shareholders.

(No dividend rights) A Performance Right does not entitle a holder to any dividends.

(Rights on winding up) A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up of the Company.

(Not transferable) A Performance Right is not transferable.

(Reorganisation of capital) If there is a reorganisation (including, without limitation, consolidation, sub-division, reduction or return) 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.

(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 Right within the time period required by the Listing Rules.

(Participation in entitlements and bonus issues) A Performance Right does not entitle a holder to participate in new issues of capital offered to holders of Shares, such as bonus issues and entitlement issues.

(Vesting on a Change of Control Event) If there is a Change of Control Event in relation to the Company prior to the conversion or expiry of the Performance Rights, then:

- (a) all outstanding Vesting Conditions will be deemed to have been satisfied; and
- (b) each Performance Right will automatically and immediately convert into a Share.

For these purposes, **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 of the Company 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.

(No other rights) A Performance Right 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 term.

SCHEDULE 2 – OVERVIEW OF PERFORMANCE RIGHTS PLAN

Summary of the Performance Rights Plan and terms on which offers of Performance Rights may be made:

- (a) The directors of the Company from time to time, at their discretion, may at any time invite eligible employees to participate in the grant of Performance Rights.
- (b) The eligible employees under the Plan are full time and part time employees (including a director) of the Company and its related bodies corporate or any other person who is declared by the Board to be eligible to receive a grant of Performance Rights under the Plan (**Eligible Employees**). Subject to the Board approval, an Eligible Employee may nominate a nominee to receive the Performance Rights to be granted to the Eligible Employee.

The Company will seek Shareholder approval for Director and related party participation in accordance with Listing Rule 10.14.

- (c) The Plan is administered by the Directors of the Company, who have the power to:
 - (i) determine appropriate procedures for administration of the Plan consistent with its terms;
 - (ii) resolve conclusively all questions of fact or interpretation in connection with the Plan;
 - (iii) delegate the exercise of any of its powers or discretions arising under the Plan to any one or more persons for such period and on such conditions as the Board may determine; and
 - (iv) suspend, amend or terminate the Plan (subject to restrictions on amendments to the Plan which reduce the rights of a participant of the Plan in respect of any Performance Rights or Shares already granted).
- (d) Performance Rights will be granted for nil cash consideration, unless the Board determines otherwise (which will be no more than a nominal amount).
- (e) No amount will be payable on the exercise of Performance Rights under the Plan.
- (f) The Plan does not set out a maximum number of Shares that may be made issuable to any one person or company.
- (g) The Company must have reasonable grounds to believe that the number of Shares to be issued on exercise of the Performance Rights when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous three years under:
 - (i) an employee incentive plan of the Company covered by ASIC Class Order 14/1000; or
 - (ii) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,does not exceed 5% of the total number of issued Shares at the time the invitation to acquire Performance Rights is made (but disregarding any securities issued as the result of an offer that can be disregarded in accordance with ASIC Class Order 14/1000).
- (h) The Shares to be issued on exercise of the Performance Rights will be issued on the same terms as the fully paid, ordinary shares of the Company and will rank equally with all of the Company's then existing Shares.

- (i) The Performance Rights granted under the Plan will be subject to vesting conditions determined by the Board from time to time and expressed in a written offer made by the Company to the Eligible Employee which is subject to acceptance by the Eligible Employee within a specified period. The vesting conditions may include one or more of (i) service to the Company of a minimum period of time (ii) achievement of specific performance conditions by the participant in the Plan and/or by the Company or (iii) such other performance conditions as the Board may determine and set out in the offer. The Board determines whether vesting conditions have been met.
- (j) Performance Rights will have an expiry date as the Board may determine in its absolute discretion and specify in the offer to the Eligible Employee.
- (k) Performance Rights will be exercisable by the holder from the date the applicable vesting conditions are satisfied or waived by the Board up to and including the applicable expiry date.
- (l) The vesting conditions of Performance Rights will have a milestone date as determined by the Board in its absolute discretion and will be specified in the offer to the Eligible Employee. Performance Rights will not be listed for quotation. However, the Company will make an application to ASX for official quotation of all Shares issued on exercise of the Performance Rights within the period required by the Listing Rules.
- (m) The Performance Rights are not transferable unless the Board determines otherwise or the transfer is required by law and provided that the transfer complies with the Corporations Act.
- (n) If a vesting condition of a Performance Right is not achieved by the earlier of the milestone date or the expiry date then the Performance Right will lapse. Unless the Board determines otherwise, an unvested Performance Right will lapse if the holder ceases to be an Eligible Employee for the purposes of the Plan by reason of resignation, termination for poor performance or termination for cause.
- (o) Unless the Board determines otherwise, if the holder of Performance Rights granted under the Plan ceases to be an employee for any other reason other than those reasons set out in paragraph (n), including but not limited to retirement, total and permanent disablement, death, redundancy or termination by agreement, then any Performance Rights which have not lapsed will continue to be held by the holder as if it was still an Eligible Employee, except that any continuous service condition will be deemed to have been waived.
- (p) If, in the opinion of the Board, a holder of Performance rights granted under the Plan acts fraudulently or dishonestly, is in breach of his or her obligations to the Company and its related bodies corporate, has done an act which has brought the Company or any of its related bodies corporate into disrepute, or if the Company becomes aware of a material misstatement or omission in the financial statements in relation to the Company or any of its related bodies corporate, or a holder is convicted of an offence in connection with the affairs of the Company or any of its related bodies corporate or has judgment entered against him or her in any civil proceedings in respect of the contravention of his or her duties at law in his capacity as an employee, consultant or officer of the Company or any of its related bodies corporate, the Board will have the discretion to deem any Performance Rights will lapse.
- (q) If in the opinion of the Board, Performance Rights vested as a result of the fraud, dishonesty or breach of obligations of either the holder or any other person and in the opinion of the Board, the Performance Rights would not have otherwise vested; or the Company is required by, or entitled under, law to reclaim an overpaid bonus or other amount from a holder, then the Board may determine (subject to applicable law) any treatment in relation to the Performance Rights or Shares issued upon exercise of Performance Rights to comply with the law or to ensure no unfair benefit is obtained by the Participant.

- (r) Where there is a transaction, event or state of affairs that, in the Board's opinion, is likely to result in a change of control of the Company (**Change of Control Event**), the Board may in its discretion determine that all or a specified number of the holder's Performance Rights vest and become exercisable or cease to be subject to restrictions (as applicable), although the Board may specify in an offer to a Participant that any additional or different treatment will apply if a Change of Control Event occurs.
- (s) Unless the Board determines otherwise, if a Change of Control Event occurs, any restrictions on dealing imposed on vested Performance Rights will cease to have effect.
- (t) There are no participating rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.
- (u) If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the number of Shares which must be allocated on the exercise of a Performance Right.
- (v) 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) the number of Shares which must be allocated on the exercise of a Performance Right will be increased by the number of Shares which the Participant would have received if the Performance Right had vested before the record date for the bonus issue.
- (w) If there is any reorganisation of the issued share capital of the Company, the rights of the Performance Rights holder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.
- (x) Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to Performance Rights issued under the Plan.



Family Zone Cyber Safety Limited | ACN 167 509 177

GM Registration Card

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Vote by Proxy: FZO

Your proxy voting instruction must be received by **10.00am (WST) on Wednesday, 29 April 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting forms together. If you require an additional Proxy Voting form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting form when you return it.

Companies: to be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

In the interests of public health and safety of our Shareholders, the Company is **not able to allow Shareholders to physically attend the Shareholder Meeting.**

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



