

NOTICE OF MEETING AND VIRTUAL MEETING GUIDE

Family Zone Cyber Safety Ltd (ASX: FZO, **Family Zone** or the **Company**), is pleased to advise that it is convening its Annual General Meeting of Shareholders on Thursday 19 November 2020 at 9.00am (WST) (**Meeting**).

In light of the evolving global outbreak of the Coronavirus (COVID 19) and the Australian Government's response in restricting gatherings and implementing social distancing requirements and the State Government's border restrictions, the Board of Family Zone has decided that special arrangements will apply to our upcoming Shareholder Meeting.

IN THE INTERESTS OF PUBLIC HEALTH AND SAFETY OF OUR SHAREHOLDERS, THE COMPANY HAS DECIDED NOT TO ALLOW SHAREHOLDERS TO PHYSICALLY ATTEND THE ANNUAL GENERAL MEETING.

IMPORTANT INFORMATION IN REGARD TO ANNUAL GENERAL MEETING VOTING

The Board considers that the health, safety and welfare of the Company's staff, its Shareholders and other stakeholders is of paramount importance. The Annual General Meeting will be accessible to all Shareholders virtually via a live webinar, further details of which are set out below.

All resolutions at the Meeting will be <u>voted on by poll</u> and Shareholders who are entitled to vote may vote either prior to the Meeting by appointing a proxy or by poll during the Meeting (such poll to be taken electronically). Further details of the voting methods open to Shareholders are set out in detail below.

Shareholders are strongly encouraged to either vote prior to the Meeting or to appoint the Chair of the Meeting as their proxy

How Shareholders Can Participate:

Voting by Proxy

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.

Proxy votes must be received by 9.00am (WST) 17 November 2020

Voting by Poll

Shareholders who wish to vote by poll during the virtual Meeting must first notify the Company Secretary of their intention by emailing info@grangeconsulting.com.au by no later than 10.00am (WST) on 18 November 2020, the day prior to the Meeting and provide their registered Shareholding details and the Company Secretary will verify their Shareholding.

Shareholders will be able to submit their email poll votes immediately after the Chair calls for a vote on each Resolution and up to a period of one hour after the Meeting ends. This means that the outcome of each Resolution will not be able to be determined until after the conclusion of the Meeting to allow the Company Secretary sufficient time to count such poll votes submitted by email.

Questions

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 5pm (WST) Friday 13 November 2020.

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.

Webinar

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 https://familyzone.zoom.us/webinar/register/WN ePn euuqQhy7k0AJ0FXkBw 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 Annual General Meeting

Enquiries

Shareholders are encouraged to contact the Company Secretary on +61 8 9322 7600 or by email at info@grangeconsulting.com.au if they have any queries in respect of the special arrangements applying to this Meeting.

The Company's Notice of Meeting is attached.

Authorised for release by the Board

For more information, please contact:

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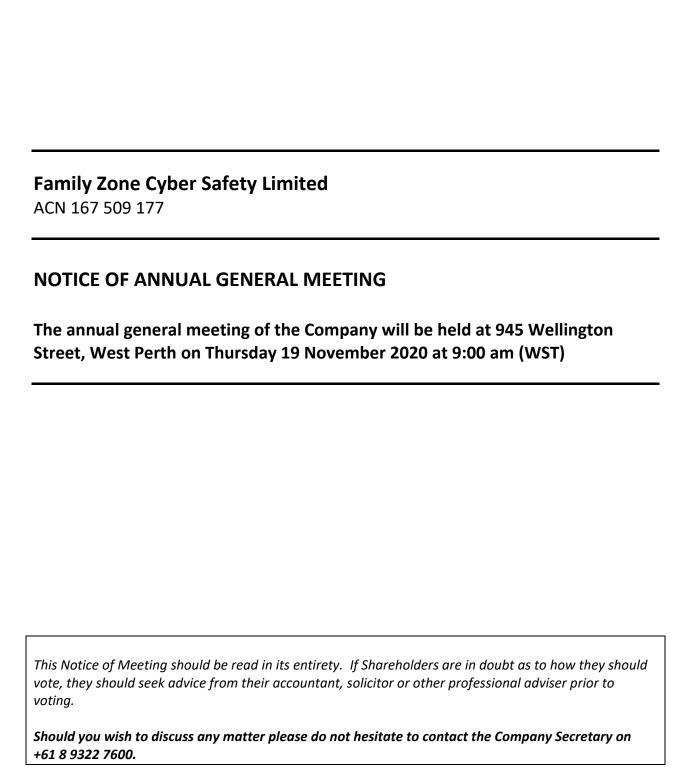
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Family Zone Cyber Safety Limited 945 Wellington Street West Perth, WA 6005

About Family Zone

Family Zone is an ASX listed technology company focused on cyber safety. Meeting a growing demand to keep kids safe online and manage digital lifestyles, Family Zone has developed unique and innovative cloud-based solutions which combines Australian innovation with leading global technology.

To learn more about the Family Zone platform and the Company, please visit www.familyzone.com.



Family Zone Cyber Safety Limited

ACN 167 509 177

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Family Zone Cyber Safety Limited (**Company**) will be held at 945 Wellington Street, West Perth on Thursday 19 November 2020 at 9:00 am (WST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 17 November 2020 at 4.00 pm (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 10.

AGENDA

Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2020, which includes the Financial Report, the Directors' Report and the Auditor's Report.

1. Resolution 1 – Adoption of Remuneration Report

To consider, and if thought fit, to pass with or without amendment, the following resolution as a non-binding resolution:

"That, for the purposes of section 250R of the Corporations Act and for all other purposes, the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by, or on behalf of:

- a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on this Resolution if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

(c) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on this Resolution; or

(d) the person is the Chair voting an undirected proxy which expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. Resolution 2 – Re-election of Mr Phil Warren as a Director

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

"That Mr Phil Warren, who retires by rotation in accordance with Article 6.3(c) of the Constitution, and being eligible and offering himself for re-election, is re-elected as a Director."

3. Resolution 3 – Re-election of Mr Matthew Stepka as a Director

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

"That Mr Matthew Stepka, who was appointed by the other Directors and retires in accordance with Article 6.3(j) of the Constitution, and being eligible and offering himself for re-election, is re-elected as a Director."

4. Resolution 4 – Approval of 10% Placement Facility

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

"That the Company have the additional capacity to issue Equity Securities provided for in Listing Rule 7.1A."

5. Resolution 5 – Renewal of Proportional Takeover Provisions in Constitution

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

"That, for the purposes of Schedule 5 of the Constitution and section 648G of the Corporations Act, and for all other purposes, the Company renew the proportional takeover provisions contained in Schedule 5 of the Constitution with effect from the date of this Resolution for a period of three years."

6. Resolution 6 – Adoption of 2020 Family Zone Employee Securities Incentive Plan

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 7.2 Exception 13(b) and for all other purposes, approval is given for the establishment of the "2020 Family Zone Employee Securities Incentive Plan" on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is eligible to participate in the 2020 Family Zone Employee Securities Incentive 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:
 - 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 – Removal of Auditor

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 329(1) of the Corporations Act, Pitcher Partners BA&A Pty Ltd the current auditor of the Company, be removed as auditor of the Company with effect from the date of the Meeting"

8. Resolution 8 – Appointment of new Auditor

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

"That, subject to Resolution 7 being passed and for the purposes of section 327D of the Corporations Act, BDO (Audit) Pty Ltd, being qualified to act as auditor of the Company and having consented to act as auditor of the Company, be appointed as auditor of the Company with effect from the date of the Meeting"

Dated 20 October 2020

BY ORDER OF THE BOARD

Tim Levy Managing Director

Family Zone Cyber Safety Limited

ACN 167 509 177

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 945 Wellington Street, West Perth on Thursday 19 November 2020 at 9:00 am (WST).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to 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. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) 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.

2.2 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 1 and 6 if:

- (a) the person is either:
 - (i) a member of the Key Management Personnel of the Company; or
 - (ii) a Closely Related Party of such a member, and
- (b) the appointment does not specify the way the proxy is to vote on the Resolutions.

However, the prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair of the Meeting to exercise the proxy even if Resolutions 1 and 6 are connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

3. Annual Report

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. Copies of the Annual Report can be found on the Company's website www.familyzone.com/anz/investor-centre or by contacting the Company on (08) 9322 7600.

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report;
- (b) ask questions about, or make comment on, the management of the Company;
- (c) ask questions about, or make comment on, the Remuneration Report;
- (d) ask the auditor questions about:
 - (i) the conduct of the audit;
 - (ii) the preparation and content of the Auditor's Report;
 - the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - (iv) the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (e) the content of the Auditor's Report; and
- (f) the conduct of the audit of the Financial Report,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive and non-executive directors.

Section 250R(3) of the Corporations Act provides that this Resolution is advisory only and does not bind the Directors of the Company. Of itself, a failure of Shareholders to pass this Resolution will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, under sections 250U and 250Y of the Corporations Act, Shareholders have the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

At the Company's last annual general meeting, the Remuneration Report was approved by over 75% of Shareholders present and voting. In summary, if the Remuneration Report receives a 'no' vote of 25% or more at this Meeting Shareholders should be aware that if there is a 'no' vote of 25% or more at the next annual general meeting the consequences are that all Directors (other than the Managing Director) may be up for re-election.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The Chair of the Meeting intends to exercise all undirected proxies in favour of Resolution 1. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

5. Resolution 2 – Re-election of Mr Phil Warren as a Director

Article 6.3 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors (rounded downwards to the nearest whole number), must retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for reelection.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who have been Directors for the same period of time, those to retire shall be determined by lot (unless they agree otherwise).

A Director who retires by rotation under Article 6.3(c) of the Constitution is eligible for reelection.

Mr Phil Warren, being the Director longest in office since his last election, retires by rotation at this Meeting and, being eligible, seeks re-election.

Resolution 2 seeks Shareholder approval for the election of Mr Phil Warren as a Director.

Mr Warren is a Chartered Accountant and managing director of West Perth based corporate advisory firm Grange Consulting. Mr Warren has over 20 years' experience in finance and corporate roles in Australia and Europe. He has specialised in company valuations, mergers and acquisitions, capital raisings, debt financing, financial management, corporate governance

an company secretarial services for a number of public and private companies. Mr Warren has established a number of ASX listed companies from initial unlisted shell seed raisings through to asset acquisitions leading to ASX listings and continues to act as corporate advisor to some of these companies. Mr Warren is a non-executive director of Cassini Resources Limited, Rent.com.au Limited and Jupiter Energy Limited and also sits on a number of unlisted company boards in his capacity as finance director.

The Board (excluding Mr Warren) recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 2.

6. Resolution 3 – Re-election of Mr Matthew Stepka as a Director

Article 6.2(b) of the Constitution gives the Directors authority to appoint other Directors. Mr Matthew Stepka was appointed as a Director of the Company on 1 May 2020.

Article 6.3(j) of the Constitution provides that any Director appointed under Article 6.2(b) must retire at the next annual general meeting of the Company and is eligible for re-election at that meeting.

Pursuant to the above Articles, Mr Stepka will retire at the Meeting and, being eligible, seeks re-election as a Director.

Resolution 3 seeks Shareholder approval for the election of Mr Matthew Stepka as a Director.

Mr Stepka is Managing Partner of Machina Ventures, an investment firm focused on early stage, artificial intelligence and data science enabled companies. He is also a Lecturer at UC Berkeley, Haas School of Business. Until recently, Mr Stepka was Vice President, Business Operations and Strategy at Google where we led and incubated strategic initiatives, especially mission-driven projects with high social impact. Prior to joining Google, Mr Stepka held positions including Vice President at drugstore.com, Chief Operating Officer of WorldRes (a leading online hotel reservation network), Management consultant with McKinsey & Company and Systems consultant with Price Waterhouse. Mr Stepka co-founded Cyber Java, one of the first Internet cafes, and was a freelance software programmer from an early age. Mr Stepka holds a Juris Doctorate from UCLA School of Law. He has Bachelor of Science degrees in Computer Engineering and Management from Case Western Reserve University. Mr Stepka served on the Board of World Affairs Council and is an inaugural Disruptor Foundation Fellow. Mr Stepka is a member of the California State Bar.

The Board (excluding Mr Stepka) recommends that Shareholders vote in favour of Resolution 3.

Resolution 3 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 3.

7. Resolution 4 – Approval of 10% Placement Facility

7.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over

any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (10% Placement Facility).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes. Based on the closing price of the Company's Shares on ASX on 16 October 2020, the Company's market capitalisation is approximately \$146 million.

Resolution 4 seeks shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without shareholder approval.

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c) below).

The Company intends to continue to expand and accelerate the Company's existing business activities (including expenses associated with service delivery capabilities, business development, marketing and sales particularly in the US education market and global partnerships) and to pursue other acquisitions that have a strategic fit or will otherwise add value to Shareholders (including expenses associated with such acquisitions). The Company may use the 10% Placement Facility for these purposes and for general working capital.

Resolution 4 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 case of a corporate Shareholder, by a corporate representative).

The Directors believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 4.

7.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has one class of quoted Equity Securities, being the Shares.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may, during the period of approval, issue or agree to issue, a number of Equity Securities calculated in accordance with the following formula:

 $(A \times D) - E$

Where:

- A is the number of Shares on issue at the commencement of the relevant period:
 - plus the number of Shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
 - plus the number of Shares issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where the convertible securities were issued/agreed to be issued before the commencement of the relevant period; or the issues/agreement to issue the convertible securities was approved or taken under the Listing Rules to have been approved under Listing Rules 7.1 or 7.4;
 - plus the number of Shares issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where the agreement was entered into before the commencement of the relevant period; or the agreement was approved or taken under the Listing Rules to have been approved under Listing Rules 7.1 or 7.4;
 - plus the number of any other Shares issued in the relevant period with approval of holders of Shares under Listing Rule 7.1 or 7.4
 - plus the number of partly paid shares that became fully paid in the relevant period;
 - less the number of Shares cancelled in the relevant period.

Where the **relevant period** means the 12 month period preceding the date of the issue/agreement to issue the Equity Securities.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

7.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

(a) Period for which 10% Placement Facility will be valid

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of the Meeting and will expire on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

(b) Minimum price

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities calculated over the 15 Trading Days immediately before:

- the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in subparagraph (i) above, the date on which the Equity Securities are issued.

(c) Purpose of funds raised

The Company may only seek to issue the Equity Securities under the 10% Placement Facility for cash consideration. The Company intends to use the funds raised towards expanding or accelerating the Company's existing business activities including to further develop the Company's Interface Switching ReRam technology and for general working capital.

(d) Risk of economic and voting dilution

If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) the market price for the Company's Equity Securities in that class may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

		Potential Dilution			
Variable 'A' in Listing Rule 7.1A2		\$0.220 50% decrease in Issue Price	\$0.440 Issue Price	\$0.880 100% increase in Issue Price	
Current Variable A 331,717,565 Shares	10% voting dilution	33,171,756	33,171,756	33,171,756	
	Funds raised	\$7,297,786	\$14,595,572	\$29,191,145	
50% increase in current Variable A 497,576,347 Shares	10% voting dilution	49,757,634	49,757,634	49,757,634	
	Funds raised	\$10,946,679	\$21,893,358	\$43,786,717	
100% increase in current Variable A	10% voting dilution	66,343,513	66,343,513	66,343,513	
663,435,130 Shares	Funds raised	\$14,594,572	\$29,191,145	\$58,382,291	

The table has been prepared on the following assumptions:

- (v) The Company issues/agrees to issue the maximum number of Equity Securities available under the 10% Placement Facility.
- (vi) The issue/agreement to issue Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes listed Options, it is assumed that those listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

- (vii) No Options are exercised, and no Performance Rights or Performance Shares are converted into Shares before the date of the issue/agreement to issue the Equity Securities.
- (viii) At the date of this Notice, there are currently 331,717,565 Shares on issue.
- (ix) The current market price is \$0.44, being the closing price of Shares on ASX on 16 October 2020.

Also note that in the table:

- (x) The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue/agreement to issue. This is why the voting dilution is shown in each example as 10%.
- (xi) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (xii) The table shows only the effect of issues/agreements to issue Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(e) Allocation Policy

The Company's allocation policy for issues of Equity Securities under the 10% Placement Facility is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the recipients of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the purpose of the issue;
- the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the financial situation and solvency of the Company; and
- (v) advice from corporate, financial and broking advisers (if applicable).

The recipients of Equity Securities issued under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets, technology or investments, it is likely that the recipients under the 10% Placement Facility will be the vendors of the new assets, technology or investments.

(f) Previous issues under the 10% Placement Facility

In the 12 months preceding the date of the Meeting, the Company has issued or agreed to issue a total of 23,905,640 Equity Securities under the 10% Placement

Facility which represents 10% of the total number of Equity Securities on issue at the commencement of the 12 month period preceding the date of the Meeting.

The Equity Securities issued, or agreed to be issued, under the 10% Placement Facility in the 12 months preceding the date of the Meeting are as follows:

Date of Appendix 3B, 2A or 3G	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to Market Price ¹ on the Trading Day prior to issue/ agreement to issue	Total cash consideration, what it was spent on and the amount and intended use of any remaining funds
Appendix 3B lodged 29 April 2020 and Appendix 2A lodged 6 May 2020.	23,905,640	Shares ²	Issued pursuant to a share placement to existing shareholders, institutional and sophisticated investors across Australia and the US and pursuant to shareholder ratification on 1 May 2020.	\$0.12 issue price per Share being a 7.7% discount to the Market Price on 6 May 2020 of \$0.13.	\$2,868,679. Total funds raised have or will be used to fund the Company's product and business development activities focussed on serving US school districts and their parent communities.

Notes:

- Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the premium/discount is calculated on the Market Price on the last Trading Day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
- 2. Fully paid ordinary shares in the capital of the Company (terms are set out in the Constitution).

(g) Voting exclusion

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities under the 10% Placement Facility. No existing Shareholder's votes will therefore be excluded.

8. Resolution 5 – Renewal of Proportional Takeover Provisions in Constitution

8.1 General

Schedule 5 of the Constitution contains provisions dealing with proportional takeover bids for the Company's securities in accordance with the Corporations Act.

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of that Shareholder's securities.

The Corporations Act permits a company's constitution to include provisions that enable it to refuse to register the transfer of securities acquired under a proportional takeover bid, unless shareholders approve the takeover bid. The provisions are designed to assist Shareholders to receive proper value for their securities if a proportional takeover bid is made for the Company. Under the Corporations Act, the provisions must be renewed every three years or they will cease to have effect.

Schedule 5 of the Constitution was last approved by Shareholders when the Constitution was adopted by the Company on 4 May 2016, and such approval ceased to have effect on 4 May 2019.

If Resolution 5 is approved by Shareholders, the proportional takeover provisions will be on exactly the same terms as the existing proportional takeover provisions and will have effect until 19 November 2023.

The Directors consider it is in the interests of Shareholders to continue to have proportional takeover provisions in the Constitution and, accordingly, Shareholders are requested to approve the renewal of the proportional takeover provisions contained in Schedule 5 of the Constitution with effect from the date of this Meeting for a further period of three years.

8.2 Information required by section 648G of the Corporations Act

For the purposes of section 648G of the Corporations Act, information regarding the proportional takeover bid provisions is provided as follows:

(a) Proportional takeover bid

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of that Shareholder's securities (i.e. less than 100%).

(b) Effect of proportional takeover bid provisions

If a proportional takeover bid is made, the Directors must ensure that a general meeting to approve the takeover bid is held more than 14 days before the last day of the bid period, at which Shareholders will consider a resolution to approve the takeover bid. Each Shareholder will have one vote for each fully paid Share held, with the vote to be decided on a simple majority. The bidder and its associates are not allowed to vote.

(c) Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are then potentially exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. The proportional takeover provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

(d) Knowledge of any acquisition proposals

As at the date of this Notice, no Director is aware of any proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

(e) Potential advantages and disadvantages

The Directors consider that during the period in which the proportional takeover provisions have been in effect, the proportional takeover provisions have had no potential particular advantages or disadvantages for them or for Shareholders. During the time that the existing proportional takeover provisions have been in effect, there have been no takeover bids for the Company. The Directors are not aware of any potential bid that was discouraged by Schedule 5 of the Constitution.

The Directors consider that the proportional takeover approval provisions proposed to be renewed have no potential advantages for the Directors, but do have some for Shareholders including:

- (i) Shareholders will be given the right to decide by majority vote whether to accept a proportional takeover bid;
- (ii) the provisions may help Shareholders avoid being locked in as a minority and may prevent a bidder acquiring control of the Company without paying an adequate control premium;
- the provisions may increase Shareholders' bargaining power and may help ensure that any proportional takeover bid is adequately priced; and
- (iv) knowing the view of the majority of Shareholders may help each individual Shareholder to decide whether to accept or reject the proportional offer.

The Directors consider that the proportional takeover approval provisions proposed to be renewed have no potential disadvantages for the Directors, but do have some for Shareholders including:

- (v) they may discourage proportional takeover bids being made for Shares in the Company;
- (vi) Shareholders may lose an opportunity to sell some of their Shares at a premium; and
- (vii) the likelihood of a proportional takeover succeeding may be reduced.

The Directors do not believe the potential disadvantages outweigh the potential advantages of renewing the proportional takeover provisions and as a result consider that the renewal of the proportional takeover provision is in the interest of Shareholders. The Directors consider that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The Board unanimously recommends the renewal of the proportional takeover provisions in the Constitution.

Resolution 5 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 case of a corporate Shareholder, by a corporate representative).

9. Resolution 6 – Adoption of Family Zone Employee Securities Incentive Plan

The Company currently has a performance rights plan and an options plan. However, the Company considers that it is desirable to establish a consolidated securities incentive plan pursuant to which the Company can issue Securities to eligible Directors, employees and consultants in order to attract, motivate and retain such persons and to provide them with an incentive to deliver growth and value to all Shareholders.

Accordingly, Resolution 6 seeks Shareholder approval for the adoption of the 2020 Family Zone Employee Incentive Securities Plan (**Plan**) in accordance with Listing Rule 7.2 Exception 13.

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Securities in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of which is set out in Schedule 1.

In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

A summary of Listing Rule 7.1 is in Section 7.1.

Listing Rule 7.2, Exception 13 provides an exception to Listing Rule 7.1 by which equity securities issued under an employee incentive scheme are exempt for a period of three years from the date on which shareholders approve the issue of equity securities under the scheme as an exception to Listing Rule 7.1.

If Resolution 6 is passed, the Company will be able to issue Securities under the Plan to eligible participants over a period of three years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

If Resolution 6 is not passed, the Company will not adopt the Plan and will not be able to issue Securities to eligible participants under the Plan.

No Securities have been issued under the current Plan as it is a new employee incentive plan and has not previously been approved by Shareholders.

The maximum number of Shares that the Company proposes to issue, either directly or on the conversion of convertible securities issued, under the Plan following Shareholder approval of the adoption of the Plan is 49,757,635, being 15% of the Company's current share capital.

Prior Shareholder approval will be required under Listing Rule 10.14 before any Director or associate of a Director can participate in the Plan.

Pursuant to the Listing Rules, Shareholders must re-approve the Plan and all unissued Securities issuable pursuant thereto every three years.

A voting exclusion statement is included in the Notice.

Resolution 6 is an ordinary resolution.

10. Resolutions 7 and 8 - Removal and Appointment of Auditor

10.1 Removal of auditor

Under section 329 of the Corporations Act, an auditor of a company may be removed from office by resolution at a general meeting of which two months' notice of intention to move the resolution has been given. A copy of the notice of intention to remove Pitcher Partners is contained in Schedule 2. A copy of this notice of intention has been provided to Pitcher Partners and ASIC as required by Section 329 of the Corporations Act.

It should be noted under section 329 of the Corporations Act, if a company calls a meeting after notice of intention has been given, the meeting may pass the resolution to remove the auditor even through the meeting is held less than two months after the notice of intention is given.

10.2 Appointment of auditor

Under section 327D of the Corporations Act, where an auditor of a company is removed from office by resolution at a general meeting in accordance with section 329 of the Corporations Act, the company may immediately appoint a new auditor provided that the requirements are met in section 328B for notice of nomination of the new auditor.

Resolution 8 seeks Shareholder approval to appoint BDO as auditor of the Company with effect from the date of the Meeting, subject to Pitcher Partners being removed as the Company's current auditor pursuant to Resolution 7.

In accordance with section 328B of the Corporations Act, a current Director has provided the Company with notice of nomination that BDO be appointed as auditor of the Company. A copy of the nomination of BDO as auditor is included in Schedule 3 of this Notice.

The Company has received BDO's written consent (which has not been withdrawn) to act as auditor of the Company pursuant to section 328A(1) and all other requirements of the Corporations Act in relation to the appointment of auditors has been met as at the date on this Notice.

If Resolutions 7 and 8 are passed, the removal of Pitcher Partners as current auditor of the Company and the appointment of BDO as new auditor of the Company will take effect from the date of the Meeting.

Resolution 7 is an ordinary resolution. 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 case of a corporate Shareholder, by a corporate representative). Resolution 8 is subject to Resolution 7 being passed.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 7 and 8.

11. Definitions

\$ means Australian Dollars.

2020 Family Zone Employee Incentive Securities Plan means the Company's employee incentive securities plan, the terms of which are summarised in Schedule 1.

10% Placement Facility has the meaning in Section 7.1.

10% Placement Period has the meaning in Section 7.3(a).

Annual Report means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 30 June 2020.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Auditor's Report means the auditor's report on the Financial Report.

BDO means BDO (Audit) WA Pty Ltd.

Board means the board of Directors.

Chair means the chair of this Meeting.

Closely Related Party has the meaning in section 9 of the Corporations Act.

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

Constitution means the existing constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Directors' Report means the annual directors report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Key Management Personnel means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Non-Executive Director means a non-executive director of the Company.

Notice means this notice of meeting.

Option means an option to acquire a Share.

Pitcher Partners means Pitcher Partners BA&A Pty Ltd.

Plan means the 2020 Family Zone Employee Incentive Securities Plan.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

Securities means Shares, Performance Shares, Options and Performance Rights.

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

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means volume weighted average price.

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

In this Notice, words importing the singular include the plural and vice versa.

Schedule 1 - Summary of Plan

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

1. Eligible Participant

"Eligible Participant" means a person who is a full-time or part-time employee, officer, or contractor of the Company, or an Associated Body Corporate (as defined in ASIC Class Order 14/1000), or such other person who has been determined by the Board to be eligible to participate in the Plan from time to time.

The Company will seek Shareholder approval for the participation of Directors and their associates in accordance with ASX Listing Rule 10.14.

2. Purpose

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

3. Plan administration

The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

4. Eligibility, invitation and application

The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

5. Grant of Securities

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

6. Terms of Convertible Securities

Each "Convertible Security" represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible

Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

7. Vesting of Convertible Securities

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

8. Exercise of Convertible Securities and cashless exercise

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

9. Delivery of Shares on exercise of Convertible Securities

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

10. Forfeiture of Convertible Securities

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly; committed an act which has brought the Company, the Group or any entity within the Group into disrepute, or wilfully breached his or her duties to the Group or where a Participant is convicted of an offence in connection with the affairs of the Group; or has a judgment entered against him or her in any civil proceedings in respect of the contravention by the Participant of his or her duties at law, in equity or under statute, in his or her capacity as an employee, consultant or officer of the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation or vesting notice.

11. Change of control

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control.

12. Rights attaching to Plan Shares

All Shares issued or transferred under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank equally in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

13. Disposal restrictions on Plan Shares

If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

14. Adjustment of Convertible Securities

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the ASX Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

15. Participation in new issues

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

16. Compliance with applicable law

No Security may be offered, grated, vested or exercised if to do so would contravene any applicable law. In particular, the Company must have reasonable grounds to believe, when making an invitation, that the total number of Plan Shares that may be issued upon exercise of Convertible Securities offer 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 year period under:

- (a) an employee incentive scheme of the Company covered by ASIC Class Order 14/1000; or
- (b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,
- (c) but disregarding any offer made or securities issued in the capital of the Company by way of or as a result of:
- (d) an offer to a person situated at the time of receipt of the offer outside Australia;
- (e) an offer that did not need disclosure to investors because of section 708 of the Corporations Act (exempts the requirement for a disclosure document for the issue of securities in certain circumstances to investors who are deemed to have sufficient investment knowledge to make informed decisions, including professional investors, sophisticated investors and senior managers of the Company); or
- (f) an offer made under a disclosure document,

would not exceed 5% (or such other maximum permitted under any applicable law) of the total number of Shares on issue at the date of the invitation.

17. Amendment of Plan

Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

18. Plan duration

The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

19. Income Tax Assessment Act

The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in that Act).

Schedule 2 – Notice of intention to remove auditor

Peter Pawlowitsch Non-executive Chairman PO Box 1361 Subiaco PO WA 6904

12 October 2020

Emma Wates Company Secretary Family Zone Cyber Safety Limited 945 Wellington Street West Perth

By Email

Dear Emma

In accordance with Section 329(1A) of the Corporations Act, I Peter Pawlowitsch, a Director of the Family Zone Cyber Safety Limited (**Company**) request that the Company convene a general meeting of the Company to consider and, if thought fit, pass the resolution that Pitcher Partners BA&A be removed as auditor of the Company.

Yours sincerely

Peter Pawlowitsch

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Section 3 – Nomination of BDO as auditor

12 October 2020

Emma Wates Company Secretary Family Zone Cyber Safety Limited 945 Wellington Street West Perth

By Email

Dear Emma

In accordance with Section 328B of the Corporations Act, Mosch Pty Ltd, a Member of Family Zone Cyber Safety Limited (**Company**) hereby nominate BDO (Audit) WA Pty Ltd of 38 Station Street, Subiaco, Western Australia to become auditor of the Company.

I consent to copies of this notice of nomination being distributed:

- (a) to BDO (Audit) WA Pty Ltd;
- (b) to the Company's current auditor Pitcher Partners BA&A; and
- (c) with the Company's notice of meeting at which Members will be given an opportunity to vote on the appointment of BDO (Audit) WA Pty Ltd as auditor of the Company,

as required by section 328B(3) of the Corporations Act.

Yours sincerely

Peter Pawlowitch Sole Director

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Mosch Pty Ltd



Family Zone Cyber Safety Limited | ABN 33 167 509 177

Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **9.00am (WST) on Tuesday, 17 November 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

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.

STEP 1 - APPOINT A PROXY

If you wish to appoint someone other than the Chair 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 Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair 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.

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

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

 $\textbf{\textit{Joint holding}} : \textbf{Where the holding is in more than one name, all Shareholders should sign.} \\$

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.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

https://investor.automic.com.au/#/loginsah or scan the QR code below using your smartphone

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



BY MAIL:

Automic GPO Box 5193 Sydney NSW 2001

IN PERSON:

Automic Level 5, 126 Phillip Street Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: https://automicgroup.com.au/

PHONE: 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

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STEP 1 - How to vote			
APPOINT A PROXY: I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of Family Zone Cyber 9.00am (WST) on Thursday, 19 November 2020 at 945 Wellington Street, West Perth hereby:	Safety	Limited, to b	pe held at
Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your provided below the name of the person or body corporate you are appointing as your proxy or failing the person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if n and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.	ne perso	on so name	d or, if no
The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to Chair's voting intention. AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting in Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Finder.	o vote ir), I/we e: ntention	xpressly aut below) eve	horise the
STEP 2 – Your voting direction			
Resolutions	For	Against	Abstain
1. Adoption of Remuneration Report			
2. Re-election of Mr Phil Warren as a Director			
Re-election of Mr Matthew Stepka as a Director			
4. Approval of 10% Placement Facility			
Renewal of Proportional Takeover Provisions in Constitution			
Adoption of 2020 Family Zone Employee Securities Incentive Plan			
7 _. Removal of Auditor			
8. Appointment of new Auditor			
Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution poll and your votes will not be counted in computing the required majority on a poll.	on on a s	how of hands	or on a
STEP 3 – Signatures and contact details			
Individual or Securityholder 1 Securityholder 2 Securityholder 3			
Sole Director and Sole Company Secretary Director Director Contact Name:	retary		
Email Address:	<u> </u>		
Contact Daytime Telephone Date (DD/MM/YY)	/		

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).