
FAMILY ZONE CYBER SAFETY LIMITED

ACN 167 509 177

NOTICE OF ANNUAL GENERAL MEETING

TIME: 1.00pm (AEDT)

DATE: 27 November 2018

PLACE: Richmond 2 Room at Dexus Place, Level 14, 385 Bourke Street, Melbourne

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 Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 1.00pm (AEDT) on 27 November 2018 at Richmond 2 Room at Dexus Place, Level 14, 385 Bourke Street, Melbourne

Your Vote is Important

The business of the Annual General Meeting affects your shareholding and your vote is important.

Voting Eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 1:00pm (AEDT) on 25 November 2018.

Voting in Person

To vote in person, attend the Annual General Meeting at the time, date and at the place set out above.

Voting by Proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then each proxy may exercise one-half of the votes.

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 Resolution 1 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 Resolution 1.

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 Resolution 1 is connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

BUSINESS OF THE ANNUAL GENERAL MEETING

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

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To table and consider the Annual Report of the Company for the financial year ended 30 June 2018, which includes the Financial Report, the Director's 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 purpose of section 250R(2) 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 Statement."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

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

However, a person (the Voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the Voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR JOHN SIMS

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

"That, for the purpose of clause 6.3(c) of the Constitution and for all other purposes, Mr John Sims, retires by rotation, and being eligible, is re-elected as a Director."

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – SIR PETER WESTMACOTT

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

“That, for the purpose of clause 6.3(j) of the Constitution and for all other purposes, Sir Peter Westmacott retires, and being eligible, 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, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue), calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and 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 person who is expected to participate in the issue of Equity Securities under this Resolution and 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 entity), and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – RATIFICATION OF PLACEMENT

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 9,650,000 Shares each at an issue price of \$0.50 (**Placement**) 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 any person who participated in the Placement and any of their associates. However, the Company will not disregard a vote if it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – RATIFICATION OF ADVISOR SECURITY ISSUE

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 101,825 Shares and 500,000 Advisor Options to Vidacos Nominees Limited 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 Vidacos Nominees Limited or any of its associates. However, the Company will not disregard a vote if it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – RATIFICATION OF ISSUE OF SHARES TO NETSWEEPER

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 2,087,436 Shares to Netsweeper 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 Netsweeper and any of its associates. However, the Company will not disregard a vote if it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – AUTHORITY FOR TIM LEVY TO PARTICIPATE IN THE PLACEMENT

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

“That, for the purpose of Listing Rule 10.11, and for all other purposes, Shareholders approve and authorise Mr Tim Levy (and/or his nominees) to participate in the Placement to the extent of up to 350,000 Shares each at an issue price of \$0.50 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 Mr Tim Levy and his nominees or any associates of those persons. However, the Company will not disregard a vote if it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 9 – AUTHORITY TO ISSUE SHARES PURSUANT TO THE FIDELIO AGENCY 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 7.1 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 2,788,997 Shares to Fidelio Partners (and/or its nominees) pursuant to the Fidelio Agency 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 Fidelio Partners and its nominees, and 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 entity) and any associates of those persons. However, the Company will not disregard a vote if it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 23 OCTOBER 2018
BY ORDER OF THE BOARD



TIM LEVY
MANAGING DIRECTOR

EXPLANATORY STATEMENT

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.

1. ANNUAL REPORT

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting.

The Company will not provide a hard copy of the Annual Report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.familyzone.com/investor or on the ASX platform for "FZO" www.asx.com.au.

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

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report for the financial year ended 30 June 2018;
- (b) ask questions 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;
 - (iii) 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:

- (a) the content of the Auditor's Report; or
- (b) 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.

2. 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 2017 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 Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

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

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR JOHN SIMS

3.1 General

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

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 became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 6.3 of the Constitution is eligible for re-election.

Accordingly, Mr John Sims retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr. Sims is a successful technology and telecommunications executive with over 35 years' experience. Based in San Francisco his former roles include:

- President, Global Sales, BlackBerry Limited
- Global Head of Telecom & President, SAP Mobile Services, SAP AG
- Board Member, Mobixell Networks

- CEO, 724 Solutions Inc
- Founder and CEO, TANTAU Software Inc
- COO, SCC Communications (now Intrado, part of West Corp) and
- Vice President, Telecommunications, Tandem Computers

3.3 Independence

If re-elected, the board considers Mr John Sims will be an independent director.

3.4 Board recommendation

The Directors (other than Mr Sims) recommend that Shareholders vote in favour of this Resolution. Mr Sims does not make any recommendation in relation to his own re-election.

4. RESOLUTION 3- ELECTION OF DIRECTOR – SIR PETER WESTMACOTT

4.1 General

Clause 6.2 of the Constitution allows the Directors to appoint at any time a person to be a Director.

Clause 6.3(j) of the Constitution provides that any Director so appointed must retire at the next annual general meeting and is eligible for re-election by Shareholders.

Accordingly, Sir Peter Westmacott, having been appointed by the other Directors on 8 October 2018, retires in accordance with Clause 6.3(j) of the Constitution and, being eligible, seeks re-election by Shareholders.

4.2 Qualifications and other material directorships

Sir Peter Westmacott is a distinguished senior British diplomat, who was British Ambassador to Turkey, then Ambassador to France (2007 to 2011) and finally Ambassador to the United States from January 2012 to January 2016.

Sir Peter has been honoured with numerous awards and appointments in the UK and France. He was appointed Companion of the Order of St Michael and St George in 2000, promoted to Knight Commander in 2003 and Knight Grand Cross in 2016. He was also made a Lieutenant of the Victorian Order by HM The Queen in 1993.

4.3 Independence

Sir Peter Westmacott is the deputy chairman of Tellus Matrix LLP. Tellus Matrix has been engaged by the Company to provide corporate advisory and capital raising services. Peter Westmacott therefore has a relevant interest in the services agreement the Company has with Tellus Matrix. This is not however a material agreement and is not considered to interfere with Peter Westmacott's ability to bring independent judgement in respect to Board decisions.

4.4 Board recommendation

The Directors (other than Sir Peter Westmacott) recommend that Shareholders vote in favour of this Resolution. Peter Westmacott does not make any recommendation in relation to his own re-election.

5. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT FACILITY

5.1 General

Listing Rule 7.1A provides that an eligible entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is seeking shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility.

If Shareholders approve this Resolution, the exact number of Equity Securities the Company may issue under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out in Section 5.3(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 education 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.

5.2 Board recommendation

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

5.3 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 on issue one class of quoted Equity Securities, being 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 issue or agree to issue, during the 12 month period after the date of the annual general meeting, 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 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

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 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.3(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in Shares were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or

- (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the 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).

5.4 Listing Rule 7.1A

The effect of Resolution 4 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without Shareholder approval and without using the Company's 15% placement capacity under Listing Rule 7.1.

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).

5.5 Specific information required by Listing Rule 7.1A

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) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in Shares were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) 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:
 - (iii) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (iv) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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:

- (i) 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
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A2		Dilution		
		\$0.18 50% decrease in Issue Price	\$0.36 Issue Price	\$0.72 100% increase in Issue Price
Current Variable A 146,789,077 Shares	10% voting dilution	14,678,907	14,678,907	14,678,907
	Funds raised	\$2,642,203	\$5,284,406	\$10,568,813
50% increase in current Variable A 220,183,615 Shares	10% voting dilution	22,018,361	22,018,361	22,018,361
	Funds raised	\$3,963,304	\$7,926,609	\$15,853,219
100% increase in current Variable A 293,578,154 Shares	10% voting dilution	29,357,815	29,357,815	29,357,815
	Funds raised	\$5,284,406	\$10,568,813	\$21,137,626

The table has been prepared on the following assumptions:

- (i) Shareholders approve the ratification of the prior issue of Shares under Resolutions 5, 6 and 7 therefore Variable 'A' in Listing Rule 7.1A2 is 146,789,077 being the current Shares on issue.
- (ii) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.

- (iii) No Options are exercised into Shares before the date of the issue of the Equity Securities.
- (iv) The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (v) 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.
- (vi) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vii) The issue of 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.
- (viii) The issue price is \$0.36, being the closing price of the Shares on ASX on 19 October 2018.
- (c) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of Equity Securities pursuant to the 10% Placement Facility will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) to raise funds for service delivery capabilities, ongoing business development, marketing and sales initiative, working capital expenses, and development of the Company's proprietary technology; or
 - (ii) non-cash consideration in relation to the acquisition of any new or complimentary assets, technology or opportunities. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.
- The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities under the 10% Placement Facility.
- (e) The Company's allocation policy 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;
 - (ii) 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;
 - (iii) 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 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) The Company has previously obtained Shareholder approval under Listing Rule 7.1A at the Company's 2017 annual general meeting held on 29 November 2017.
- (g) In the 12 months preceding the date of the Meeting, the Company issued a total of 60,942,863 Equity Securities which represent 38.6% of the total number of Equity Securities on issue at the commencement of this 12 month period (of which 18,016,668 Equity Securities were issued under the 10% Placement Capacity which represent 11.4% of the total number of Equity Securities on issue at the commencement of this 12 months period). Further details of the Equity Securities issued by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 2.
- (h) The Company's cash balance on 30 September 2017 was approximately \$3.8 million. The Company raised a total of \$10.3 million (before costs) from the issues in the 12 months preceding the Meeting. The Company has since spent \$11.1 million on business development, sales and marketing activities, supporting Family Zone's service delivery capabilities, administration costs and for general working capital purposes. The Company's cash balance as at 30 September 2018 was approximately \$3.0 million. The remaining funds will continue to be used to support investment in Family Zone's service delivery capabilities, business development activities, particularly in education and global partnerships and for general working capital.
- (i) A voting exclusion statement is included in the Notice. 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. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

6. RESOLUTIONS 5, 6 AND 7 – RATIFICATION OF PRIOR ISSUES

6.1 General

The Company has issued the following securities under its Listing Rule 7.1 capacity together with the additional 10% limit approved by Shareholders under Listing Rule 7.1A at the Company's 2017 Annual General Meeting, without need for shareholder approval:

- (a) Placement Shares

In July 2018 the Company announced that UK based advisory firm Tellus Matrix has agreed with its strategic partners to subscribe for 10,000,000 Shares at \$0.50 per Share to raise \$5 million (before costs) (**Placement**). On 16 August 2018 the Company advised that Mr Tim Levy had agreed to participate in the Placement by subscribing for up to 350,000 Shares at \$0.50 per Share for a \$175,000 investment subject to Shareholder approval.

On 29 August 2018, the Company issued 9,650,000 Placement Shares at \$0.50 per Share to raise \$4,825,000. The Shares were issued to sophisticated and professional investors introduced by Tellus Matrix, none of whom is a related part of the Company. The Placement Shares were issued within the Company's 10% annual limit permitted under Listing Rule 7.1A, without the need for Shareholder approval.

(b) Advisor Security Issues

On 29 August 2018, the Company issued 101,825 Shares and 500,000 Advisor Options (together **Advisor Securities**) to Tellus Matrix's nominee, Vidacos Nominees Limited as part of the fee for corporate advisory services and services provided in managing and underwriting the Placement by Tellus Matrix. The Advisor Securities were issued within the Company's 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

(c) Netsweeper Shares

On 19 October 2018, the Company issued 2,087,436 Shares to Netsweeper for services provided and to be provided by Netsweeper pursuant to the Collaboration Agreement between the parties (Refer to ASX announcement 25 May 2018 for further details on the Collaboration Agreement).

These Shares were issued within the Company's 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

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.

A summary of Listing Rule 7.1A is set out in Sections 5.1 and 5.3.

Listing Rule 7.4 provides that where a company in general meeting ratifies a previous issue of securities made pursuant to Listing Rule 7.1 (including the additional 10% capacity under Listing Rule 7.1A), provided that the previous issue did not breach Listing Rule 7.1, the issue of those securities will be deemed to have been with shareholder approval for the purpose of Listing Rule 7.1.

Resolutions 5, 6 and 7 seek Shareholder approval for the ratification of the issue of the 9,650,000 Placement Shares, the Advisor Securities and the 2,087,436 Shares to Netsweeper pursuant to Listing Rule 7.4. The effect of Shareholders passing Resolutions 5, 6 and 7 will be to restore the Company's ability to issue securities within:

- (a) the 15% placement capacity under Listing Rule 7.1 during the next 12 months; and
- (b) the additional 10% placement capacity under Listing Rule 7.1A during the 10% Placement Period,

without obtaining prior Shareholder approval.

Resolutions 5, 6 and 7 are ordinary resolutions.

6.2 Information required by Listing Rule 7.5

- (a) For the purposes of Listing Rule 7.5 information regarding the issue of the Placement Shares is provided as follows:
- (i) 9,650,000 Shares were issued on 29 August 2018.
 - (ii) The Placement Shares were issued at an issue price of \$0.50 per Share to raise \$4,825,000 (before costs).
 - (iii) The Placement Shares are fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
 - (iv) The Placement Shares were issued to sophisticated and professional investors, none of whom is a related party of the Company.
 - (v) The funds raised from the issue of the Placement Shares are being used to support investment in Family Zone's service delivery capability, business development activities in education and global partnerships and further strengthen the Company's balance sheet.
 - (vi) A voting exclusion statement is included in the Notice.
- (b) For the purposes of Listing Rule 7.5 information regarding the issue of the Advisor Securities is provided as follows:
- (i) 101,825 Shares and 500,000 Advisor Options were issued by the Company on 29 August 2018.
 - (ii) The Advisor Securities were issued for nil cash consideration as the Shares were issued as part of the fee for corporate advisory services provided by Tellus Matrix and the Advisor Options were issued as part of the fee for services provided by Tellus Matrix in managing and underwriting the Placement. Accordingly, no funds were raised from the issue.
 - (iii) The Shares issued are fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
 - (iv) The Advisor Options are exercisable at \$0.60 each on or before 29 August 2020. Shares issued on exercise of the Advisor Options will be fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company. Further terms and conditions of the Advisor Options are outlined in Schedule 1.
 - (v) The Advisor Securities were issued to Vidacos Nominees Limited, who is not a related party of the Company.
 - (vi) A voting exclusion statement is included in the Notice.
- (c) For the purposes of Listing Rule 7.5 information regarding the issue of the Shares to Netsweeper is provided as follows:
- (i) 2,087,436 Shares were issued to Netsweeper on 19 October 2018.
 - (ii) The Netsweeper Shares were issued for services provided and to be provided by Netsweeper to the Company, therefore no funds were raised from the issue.

- (vii) The Shares issued are fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (iii) The Shares were issued to Netsweeper, which is not a related party of the Company.
- (iv) A voting exclusion statement is included in the Notice.

7. RESOLUTION 7 – AUTHORITY FOR TIM LEVY TO PARTICIPATE IN THE PLACEMENT

7.1 General

As announced on 16 August 2018, it is proposed that Mr Tim Levy, (and/or his nominees) participate in the Placement. Further details of the Placement are set out in Section 6.1(a). Mr Tim Levy wishes to obtain Shareholder approval to subscribe for up to a total of \$175,000 worth of the Placement Shares (being 350,000 Shares at \$0.50 per Share) (**Director Placement Shares**).

Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of shareholders. Mr Tim Levy is a related party of the Company by virtue of being a Director. Approval is therefore required under Listing Rule 10.11 for the issue of the Director Placement Shares to Mr Tim Levy.

Resolution 8 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of the Director Placement Shares to Mr Tim Levy (and/or his nominees). If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1. Shareholder approval of the issue of the Director Placement Shares means that this issue will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

Resolutions 8 is an ordinary resolution.

7.2 Information Required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, information regarding the issue of the Director Placement Shares is provided as follows:

- (a) The maximum number of Shares to be issued to Mr Tim Levy (or his nominees) is 350,000 Shares;
- (b) The Company will issue the Director Placement Shares no later than one 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);
- (c) Mr Tim Levy is a related party of the Company by virtue of being a Director.
- (d) The Director Placement Shares will be issued at an issue price of \$0.50 per Share (being the same issue price under the Placement) to raise \$175,000 in total (before costs).
- (e) The Director Placement Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (f) The funds raised from the issue of the Director Placement Shares will be aggregated with and used for the same purpose as the funds raised from the Placement being to support investment in Family Zone's service delivery capability, business

development activities in education and global partnerships and further strengthen the Company's balance sheet.

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

8. RESOLUTION 9 – AUTHORITY TO ISSUE SHARES PURSUANT TO THE FIDELIO AGENCY AGREEMENT

8.1 General

The issue of share based compensation under the Fidelio Agency Agreement is subject to Shareholder approval.

Fidelio Partners, the Company's Singapore based telco sales agent, has facilitated the Company's growth into the cyber safety market in India which presents a significant and compelling growth opportunity for Family Zone's services. As announced on 29 May 2018 the Company signed a

- binding terms sheet with Vodafone India, India's largest mobile network provider; and
- full form Application Distribution with Micromax, India's second largest manufacturer of mobiles and tablet devices.

These agreements were facilitated through Fidelio Partners and Family Zone was selected following a detailed evaluation against global competitors.

Subsequently, Fidelio Partners has assisted in facilitating the Company executing a full long form agreement for services and content provision with Vodafone India which now also incorporated Idea Cellular subscribers following the recent merger between these entities which has resulted in Vodafone India having approximately 400 million subscribers and 42% market share. Refer to the Company's announcement dated 19 September 2018 for further details.

Subject to Shareholder approval, the Company is required to issue Fidelio Partners 2,788,997 Shares as share based commission to Fidelio Partners for services provided in respect to the achievement of performance milestones under the Fidelio Agency Agreement.

Resolution 9 seeks Shareholder approval to issue these Shares to Fidelio Partners.

If Shareholders do not approve the issue of the Shares to Fidelio Partners under Resolution 9, the Company will be required to pay the share based commission to Fidelio Partners in cash, such amount being calculated by taking the number of Shares to be issued to Fidelio Partners (being 2,788,997 Shares) multiplied by the highest 30 day volume weighted price of the Company's Shares on ASX between the date of the entitlement being earned and the earlier to occur of:

- (a) 2 months following Fidelio Partners earning its entitlement to Share based commission; and
- (b) 7 days following a Shareholder meeting convened to approve the issue of Share based commission to Fidelio Partners.

8.2 Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, information regarding the issue of the Shares pursuant to the Fidelio Agency Agreement is provided as follows:

- (a) The maximum number of Shares that the Company may issue under Resolution 9 is 2,788,997.
- (b) The Shares may be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).
- (c) The Shares will be issued for nil cash consideration as they will be issued in consideration for services provided, and the achievement of a performance milestone, under the Fidelio Agency Agreement.
- (d) The Shares will be issued to Fidelio Partners (or their nominees), none of whom is a related party of the Company.
- (e) The Shares issued will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (f) It is expected that the Shares will be issued on one date.
- (g) A voting exclusion statement is included in the Notice.

9. 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

10% Placement Capacity has the meaning given in section 5.1 of this Notice.

\$ means Australian dollars.

Advisor Option means an Option exercisable at \$0.60 on or before 29 August 2020 and otherwise with the terms and conditions in Schedule 1.

Advisor Securities has the meaning given in clause 6.1(b).

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

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

Annual Report means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 30 June 2018.

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.

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

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Collaboration Agreement means the collaboration agreement between the Company and Netsweeper.

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 Placement Shares has the meaning given in clause 7.1

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

Option means an Option issued on the terms and conditions set out in Schedule 1.

Equity Securities has the same meaning as under the Listing Rules

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

Fidelio Agency Agreement means the agency agreement between the Company and Fidelio Partners dated 17 May 2016 (as varied).

Fidelio Partners means Fidelio Partners Pte Ltd (2016133211E) of 101B Telok Ayers St #03-02, 068574, Singapore

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

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons 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.

Netsweeper means Netsweeper Coöperatief U.A.

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

Option means an option to acquire a Share.

Performance Right means a Performance Right issued under the Family Zone Cyber Safety Limited Performance Rights Plan.

Placement Shares has the meaning set out in Section 6.1(a).

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2018.

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

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

Shareholder means a holder of a Share.

Tellus Matrix mean Tellus Matrix LLP.

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

VWAP means the volume weighted average price.

SCHEDULE 1 – TERMS AND CONDITIONS OF ADVISOR OPTIONS

The terms and conditions of the Advisor Options are outlined below.

1. Entitlement

Each Advisor Option (**Option**) entitles the holder to subscribe for one Share upon exercise of the Option.

2. Exercise Price and Expiry Date

Exercise Price	Expiry Date
\$0.60	29 August 2020

3. Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date.

4. Notice of Exercise

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

5. Shares issued on exercise

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

6. Quotation of Shares on exercise

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

7. Timing of issue of Shares

After an Option is validly exercised, the Company must, within, 15 Business Days of the notice of exercise and receipt of cleared funds equal to the sum payable on the exercise of the Option:

- (a) issue the Share; and
- (b) do all such acts, matters and things to obtain the grant of official quotation of the Share on ASX no later than 5 Business Days after issuing the Shares.

8. Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will give holders of the Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.

9. Adjustment for bonus issues of Shares

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

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

10. Adjustment for entitlement issue

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

11. Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

12. Options not quoted

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

13. Options not transferable

The Options are not transferable.

14. Lodgement Instructions

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

SCHEDULE 2 –EQUITY SECURITIES ISSUED SINCE 27 NOVEMBER 2017

Date of Issue (Appendix 3B)	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 (if applicable)	If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds If issued for non-cash consideration – a description of the consideration and the current value of the consideration ⁴
29-Nov-17	1,549,443	Shares ²	Issued to Fidelio Partners Pte Ltd as a share based commission following achievement of performance milestones under the Fidelio Agency Agreement and shareholder approval at the annual general meeting on 28 November 2017	Nil issue price Discount to Market Price N/A	Issued for nil cash consideration as a share based commission following the achievement of performance milestones under the Fidelio Agency Agreement. Current value - \$0.557 million
29-Nov-17	9,513,708	Shares	Issued to the Linewize Vendors in consideration for the acquisition of Linewize as approved by shareholders at the annual general meeting on 28 November 2018	Nil issue price Discount to Market Price N/A	Issued for nil cash consideration in part consideration for the acquisition of the Linewize Companies. Current value \$3.42 million
29-Nov-17	9,500,000	Performance Shares ³	Issued to the Linewize Vendors in consideration for the acquisition of the Linewize as approved by shareholders at the annual general meeting on 28 November 2019	Nil issue price Discount to Market Price N/A	Issued for nil cash consideration in part consideration for the acquisition of the Linewize Companies. Current value \$3.42 million
4-Dec-17	850,000	Broker Options (\$0.50, 3 years) ⁵	Issued to BW Equities Nominee, TR Nominees Pty Ltd for capital raising services provided	Nil issue price Options exercisable at \$0.50 being a 20.6% discount to Market Price	Issued for nil cash consideration for capital raising services provided. Current value - \$0.39 million
4-Dec-17	850,000	Broker Options (\$0.60, 3 years) ⁵	Issued to BW Equities Nominee, TR Nominees Pty Ltd for capital raising services provided	Nil issue price Options exercisable at \$0.60 being a 4.8% discount to Market Price	Issued for nil cash consideration for capital raising services provided. Current value - \$0.372 million

4-Dec-17	1,000,000	Class D to F Performance Rights ⁶	Issued to Crispin Swan as approved by shareholders at the annual general meeting on 29 November 2018	Nil issue price Discount to Market Price N/A	Issued for nil cash consideration as a performance based component of Crispin Swan's executive remuneration. Current value - \$0.36 million
4-Dec-17	4,450,000	Class A to C Performance Rights ⁶	Issued to key senior executives as approved by shareholders at the annual general meeting on 29 November 2018	Nil issue price Discount to Market Price N/A	Issued for nil cash consideration as a performance based component of executive remuneration. Current value - \$1.602 million
4-Dec-17	59,521	Shares	Shares issued on exercise of Options by holders exercising their Options	\$ 0.330 per Share being the Option exercise price 47.6% discount to the Market Price	The Company received \$0.019 million from the exercise of the Options which is being used for general working capital purposes.
13-Dec-17	8,366,668	Shares	Sophisticated institutional and professional investors	\$0.60 per Share 2.6% premium to the Market Price	The Company raised \$5.02 million (before costs) which is being used to support investment in Family Zone's service delivery capability, business development activities in education and global partnerships and further strengthen the Company's balance sheet.
27-Feb-18	100,000	Shares	Shares issued on exercise of Options by holders exercising their Options	\$ 0.330 per Share being the Option exercise price 45.5% discount to the Market Price	The Company received \$0.033 million from the exercise of the Options which is being used for general working capital purposes.
14-Mar-18	665,000	Shares	Shares issued on exercise of Options by holders exercising their Options	\$ 0.30 per Share being the Option exercise price 47.4% discount to the Market Price	The Company received \$0.199 million from the exercise of the Options which is being used for general working capital purposes.
5-Apr-18	50,000	Shares	Shares issued on exercise of Options by holders exercising their Options	\$ 0.330 per Share being the Option exercise price 40.0% discount to the Market Price	The Company received \$0.016 million from the exercise of the Options which is being used for general working capital purposes.
9-Apr-18	10,500,000	Shares	Shares issued on conversion of Class A Performance Shares	Nil issue price Discount to Market Price N/A	Shares issued on conversion of existing Class A Performance Shares for nil cash consideration. Current value \$3.78 million
26-Apr-18	550,000	Shares	Shares issued on conversion of Class A Performance Rights	Nil issue price Discount to Market Price N/A	Shares issued on conversion of existing Class A Performance Rights for nil cash consideration. Current value \$0.198 million

9-Apr-18	516,765	Broker Options (\$0.75, 3 years) ⁷	Issued to BW Equities nominee, TR Nominees Pty Ltd for capital raising services provided	Nil issue price Options exercisable at \$0.75 being a 42.9% premium to Market Price	Issued for nil cash consideration for capital raising services provided. Current value - \$0.186 million
9-Apr-18	516,765	Broker Options (\$0.90, 3 years) ⁷	Issued to BW Equities nominee, TR Nominees Pty Ltd for capital raising services provided	Nil issue price Options exercisable at \$0.90 being a 71.4% premium to Market Price	Issued for nil cash consideration for capital raising services provided. Current value - \$0.186 million
27-Apr-18	333,334	Shares	Shares issued on conversion of Class A Performance Rights	Nil issue price Discount to Market Price N/A	Shares issued on conversion of existing Class A Performance Rights for nil cash consideration. Current value \$0.120 million
30-Apr-18	65,871	Shares	Shares issued on exercise of Options by holders exercising their Options	\$ 0.330 per Share being the Option exercise price 29.8% discount to the Market Price	The Company received \$0.021 million from the exercise of the Options which is being used for general working capital purposes.
30-Apr-18	83,333	Shares	Shares issued on conversion of Class A Performance Rights	Nil issue price Discount to Market Price N/A	Shares issued on conversion of existing Class A Performance Rights for nil cash consideration. Current value \$0.03 million
1-May-18	83,333	Shares	Shares issued on conversion of Class A Performance Rights	Nil issue price Discount to Market Price N/A	Shares issued on conversion of existing Class A Performance Rights for nil cash consideration. Current value \$0.03 million
18-May-18	15,000	Shares	Shares issued on exercise of Options by holders exercising their Options	\$ 0.330 per Share being the Option exercise price 27.5% discount to the Market Price	The Company received \$0.005 million from the exercise of the Options which is being used for general working capital purposes.
1-Jun-18	650,000	Shares	Shares issued on exercise of Options by holders exercising their Options	\$ 0.25 per Share being the Option exercise price 56.1% discount to the Market Price	The Company received \$0.162 million from the exercise of the Options which is being used for general working capital purposes.
18-Jun-18	83,333	Shares	Shares issued on conversion of Class A Performance Rights	Nil issue price Discount to Market Price N/A	Shares issued on conversion of existing Class A Performance Rights for nil cash consideration. Current value \$0.03 million
2-Jul-17	40,000	Shares	Shares issued on exercise of Options by holders exercising their Options	\$ 0.330 per Share being the Option exercise price 30.5% discount to the Market Price	The Company received \$0.013 million from the exercise of the Options which is being used for general working capital purposes.

2-Jul-18	100,000	Shares	Shares issued on conversion of Class A Performance Rights	Nil issue price Discount to Market Price N/A	Shares issued on conversion of existing Class A Performance Rights for nil cash consideration. Current value \$0.036 million
3-Jul-18	166,667	Shares	Shares issued on conversion of Class A Performance Rights	Nil issue price Discount to Market Price N/A	Shares issued on conversion of existing Class A Performance Rights for nil cash consideration. Current value \$0.06 million
20-Jul-18	32,297	Shares	Shares issued on exercise of Options by holders exercising their Options	\$ 0.25 per Share being the Option exercise price 45.7% discount to the Market Price	The Company received \$0.008 million from the exercise of the Options which is being used for general working capital purposes.
29-Aug-18	9,650,000	Shares	Sophisticated institutional and professional investors	\$0.50 per Shares 42.9% premium to the Market Price	The Company raised \$4.825 million (before costs) which is being used to support investment in Family Zone's service delivery capability, business development activities in education and global partnerships and further strengthen the Company's balance sheet.
29-Aug-18	101,825	Shares	Issued to Tellus Matrix nominees, Vidacos Nominees Limited for corporate advisory services provided	Nil issue price Discount to Market Price N/A	Issued for nil cash consideration in consideration for corporate advisory services provided. Current value \$0.037 million
29-Aug-18	500,000	Advisor Options (\$0.60, 2 year) ⁸	Issued to Tellus Matrix nominees, Vidacos Nominees Limited for capital raising services provided	Nil issue price Options exercisable at \$0.60 being a 71.4% premium to Market Price	Issued for nil cash consideration in consideration for corporate advisory services provided. Current value \$0.070 million

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises) 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, ASX Code: FZO (terms are set out in the Constitution) (**Shares**).
3. Performance Shares are convertible into Shares on a one for one basis on achievement of the vesting conditions by the expiry dates. The full terms and conditions of the Performance Shares are outlined in the notice of meeting (lodged with ASX on 27 October 2017) for the shareholder meeting held on 28 November 2017.
4. The Shares have been valued based on the closing Share Price on 19 October 2018 being \$0.36 (**Current Share Price**). The Broker Options have been valued using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield, the risk-free interest rate for the term of the Option. No account has been taken of any performance conditions included in the terms of the Options. Performance Shares and Performance Rights have been valued based on the Current Share Price. No account has been taken of any performance conditions included in the terms of the Performance Shares and or Performance Rights.

5. The full terms and conditions of these Broker Option are outlined in the notice of meeting (lodged with ASX on 27 October 2017) for the shareholder meeting held on 28 November 2017.
6. Performance Rights are convertible into Shares on a one for one basis on achievement of the vesting conditions by the expiry dates. The full terms and conditions of the Performance Rights are outlined in the notice of meeting (lodged with ASX on 27 October 2017) for the shareholder meeting held on 28 November 2017.
7. The full terms and conditions of these Broker Option are outlined in the notice of meeting (lodged with ASX on 8 March 2018) for the shareholder meeting held on 9 April 2018.
8. The full terms and conditions of these Advisor Options are outlined in Schedule 1.



Family Zone Cyber Safety Limited | ACN 167 509 177

AGM 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 **1.00pm (AEDT) on Sunday, 25 November 2018** 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

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the 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.



Return your completed form



BY MAIL:
Automatic
GPO Box 5193
Sydney NSW 2001



IN PERSON:
Automatic
Level 5, 126 Phillip Street
Sydney NSW 2000

Contact us – All enquiries to Automic



WECHAT: <https://automic.com.au/>



EMAIL: hello@automic.com.au



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



STEP 1: Appoint Your Proxy

Complete and return this form as instructed only if you do not vote online

I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of Family Zone Cyber Safety Limited, to be held at **1.00pm (AEDT) on Tuesday, 27 November 2018 at the Richmond 2 Room, Dexu Place, Level 14, 385 Bourke Street, Melbourne VIC** hereby:

Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

[illegible]

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 vote in accordance with the 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), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2: Your Voting Direction

Resolutions		For	Against	Abstain
1.	Adoption of Remuneration Report	☐	☐	☐
2.	Re-election of Director – Mr John Sims	☐	☐	☐
3.	Re-election of Director – Sir Peter Westmacott	☐	☐	☐
4.	Approval of 10% Placement Facility	☐	☐	☐
5.	Ratification of Placement	☐	☐	☐
6.	Ratification of Advisor Security Issue	☐	☐	☐
7.	Ratification of issue of Shares to Netsweeper	☐	☐	☐
8.	Authority for Tim Levy to participate in the Placement	☐	☐	☐
9.	Authority to Issue Shares pursuant to the Fidelio Agency Agreement	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3: Sign Here + Contact Details

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Security Notes:

Director

Securityholder 3

Director / Company Secretary

Contact Name:

[illegible]

Email Address:

[illegible]

Contact Daytime Telephone

[illegible]

Date (DD/MM/YY)

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