

**PARAZERO LIMITED – PERFORMANCE OPTIONS CONDITIONS**

The Performance Options are issued under the 2018 Employee Share Option Plan (**ESOP**).

The terms and conditions of the Performance Options to be issued as part of the Acquisition are as follows:

- (a) Exercisable at \$0.20 (**Exercise Price**) on or before the date that is five years (**Expiry Date**) after the date of issue of those Performance Options. Subject to the exceptions outlined below, the Performance Options will only be exercisable after the satisfaction of the following vesting milestones, each calculated for a given Year (as defined below):
  - (i) one third of the Performance Options will vest and become exercisable upon the Company achieving aggregate revenue of US\$1,500,000 from total sales of products based on the Technology in a Year (**Class A Performance Options**); and
  - (ii) one third of the Performance Options will vest and become exercisable upon the Company achieving aggregate revenue of US\$4,000,000 from total sale of products based on the Technology in a Year OR if the 14 trading day volume weighted average price of the Company stock has increased in value by more than 300% from the IPO price (**Class B Performance Options**).
  - (iii) one third of the Performance Options will vest and become exercisable upon the Company achieving aggregate revenue of US\$8,000,000 from total sale of products based on the Technology in a Year OR if the 14 trading day volume weighted average price of the Company stock has increased in value by more than 500% from the IPO price (**Class C Performance Options**);
- (b) The term “Year” shall mean one of: (a) the time period commencing 1 July 2018 and ending on the 12 months anniversary of the listing or completion of the relisting or IPO; (b) The 12 month period immediately after the end of the first Year; and (c) The 12 month period immediately after the end of the second Year.
- (c) Each Performance Option entitles the holder to one fully paid ordinary share upon exercise.
- (d) It is hereby clarified that each of the milestones set forth above stands alone (but each is aggregated into the next), and upon completion of each milestone (in whatever order) the options shall become vested and each of the option holders shall be entitled to exercise their respective portion of the Performance Options.
- (e) In the event that the engagement of an option holder with the Company is terminated for “**Cause**” (as defined within the ESOP), all unvested options held by such holder shall lapse. Such Performance Options will only become exercisable on satisfaction of the applicable milestones as set out above.
- (f) Upon an M&A Event (as defined within the ESOP), the Performance Options of each option holder shall become fully vested and exercisable into ordinary shares at their election even if the milestones were not yet met.