



21 October 2022

Dear Shareholder,

Annual General Meeting – Notice and Proxy Form

Norwood Systems Limited (ASX: NOR) (**NOR** or **the Company**) is convening an Annual General Meeting (**Meeting**) to be held at 2:30pm (AWST) on 23 November 2022 at Advanced Share Registry Limited, 110 Stirling Highway, Nedlands WA 6009.

In accordance with the Corporations Amendments (Meetings and Documents) Act 2022 which came into effect on 1 April 2022, the Company will not be dispatching physical copies of the Notice of Meeting (Notice). Instead, the Notice is being made available to shareholders electronically and can be viewed and downloaded online at the following link: <https://norwoodsystems.com/investor>. The Notice will also be posted on the Company's ASX market announcements page. Shareholders are encouraged to complete and lodge their proxies online or otherwise in accordance with the instructions set out in the proxy form and the Notice.

A copy of your personalised proxy form is enclosed for your convenience. Your proxy voting instructions must be received by 2:30pm (AWST) on 21 November 2022, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting. The Company strongly encourages shareholders to lodge a directed proxy form.

Circumstances relating to COVID-19 can change rapidly and shareholders are urged to monitor applicable government guidance. The Company will update shareholders if changing circumstances will impact planning or the arrangements for the Meeting by way of announcement on ASX and the details will also be made available on our website at <https://norwoodsystems.com/investor>.

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser or other professional adviser. If you have any difficulties obtaining a copy of the Notice, please contact Advanced Share Registry on 1300 113 258 (within Australia) or +61 8 9389 8033 (overseas).

Yours faithfully

A handwritten signature in black ink, appearing to read "Stuart Usher", followed by a period.

Stuart Usher
Company Secretary
Norwood Systems Limited



NORWOOD SYSTEMS LIMITED
ACN 062 959 540
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 2.30pm AWST
DATE: 23 November 2022
PLACE: 110 Stirling Highway, Nedlands WA

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

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.

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 Shareholders at 2.30pm AWST on 21 November 2022.

BUSINESS OF THE MEETING

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Director's report, the Remuneration 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(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2022."

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

A voting prohibition statement applies to this Resolution. Please see below.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PHILIP MARSLAND

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 14.2 of the Constitution and for all other purposes, Mr Philip Marsland, a Director, retires by rotation, and being eligible, is re-elected as a Director."

3. RESOLUTION 3 – RATIFICATION OF PRIOR SHARE ISSUE

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 7.4 and for other purposes, Shareholders ratify the issue of 4,943,238 Shares to Steve Tot on the terms set out in the Explanatory Memorandum."

A voting prohibition statement applies to this Resolution. Please see below.

4. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal 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 otherwise on the terms and conditions set out in the Explanatory Statement."

5. RESOLUTION 5 – AMENDMENTS TO THE CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of section 136(2) of the Corporations Act and for other purposes, the Constitution be amended in the manner set out in the Explanation Statement, with the amendments to take effect from conclusion of the Meeting."

6. RESOLUTION 6 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That the proportional takeover provision in clause 36 of the Company's Amended Constitution be amended for a period of three years commencing from the date of the Meeting.."

7. RESOLUTION 7 – APPOINTMENT OF AUDITOR

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of section 327B(1) of the Corporations Act and for all other purpose, Hall Chadwick, having consented in writing to act as auditor of the Company, be appointed as auditor of the Company, effective immediately."

Dated: 17 October 2022

By order of the Board



**Stuart Usher
Company Secretary**

Voting Prohibition Statements

Resolution 1 – Adoption of Remuneration Report

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (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 this 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.

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons and their associates:

Resolution 3 – Ratification of prior securities issue

Steven Tot.

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

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

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.

In accordance with section 249L of the Corporations Act, 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 two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 499 900 044.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.norwoodsystems.com.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

1.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

1.3 Previous voting results

At the Company's previous annual general meeting, the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PHILIP MARSLAND

2.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Philip Marsland, who has served as a Director since 31 January 2022, retires by rotation and seeks re-election.

2.2 Qualifications and other material directorships

Mr Marsland has had a thirty five year career covering strategic advisory, marketing and general management. He now runs his own consultancy providing strategic and management consulting to business leaders using skills he developed in senior roles at a range of top tier companies including Capital One Bank Europe plc, American Express, Virgin Active and Applied Predictive Technologies.

His more recent senior executive roles include Arrow Global Group plc (CEO UK), and Lloyds Bank (Consumer Finance Strategic Analytics Director).

Mr Marsland has an MBA (with Distinction) from INSEAD, France and a BA (Hons), MA in Physics from Oxford University.

Mr Marsland has strong commercial knowledge of business drivers that drive performance, growing both larger and smaller businesses alike

Independence

If re-elected the Board considers Mr Marsland will be an independent Director.

2.3 Board recommendation

The Board has reviewed Mr Marsland's performance since his appointment to the Board and considers that Mr Marsland's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Marsland and recommends that Shareholders vote in favour of this Resolution.

3. RESOLUTION 3 – RATIFICATION OF PRIOR SECURITIES ISSUE

3.1 General

On 19 October 2022 (**Issue Date**) the Company issued 4,943,238 Shares as consideration for salary sacrifice by Steven Tot, an employee of the Company who is the General Manager Enterprise & Vice President Sales (**Tot**) for the period between April 2021 and August 2022 (**Issue**).

The Company entered into an agreement with Tot on 1 April 2021 (**Variation of Terms of Employment**). The Variation of Terms of Employment agreed to a 30%

reduction in salary to \$126,000 with effect from 1 April 2021 until further notice. The \$4,500 per month salary reduction is agreed to be issued as Shares, comprising of:

- (a) a monthly salary sacrifice amount of \$4,500; and
- (b) the issue of \$76,500 worth of Shares representing 17 months of salary sacrifice from 1 April 2021 to 31 August 2022 calculated at a monthly volume weighted average price of the Shares trading on the ASX for each month end.

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 Shares it had on issue at the start of that period.

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

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

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

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

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

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

3.2 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5, the following information is provided about the issue:

- (a) The Shares were issued to Steve Tot.
- (b) The number of securities issued was 4,943,238 fully paid ordinary shares in the same class as the Company's issued Shares.
- (c) The Shares were issued on 19 October 2022.

- (d) The price at which the securities were issued was nil as the Shares are being issued at a deemed issue price of \$0.0155 per Shares in lieu of salary of \$4,500 per month from 1 April 2021 to 31 August 2022 that was not paid in cash.
- (e) There was no funds raised. The Issue resulted in the Company converting debt owed to Steven Tot for salary to equity.
- (f) A summary of the Variation of Terms of Employment is set out in section 3.1 above.
- (g) A voting exclusion statement is included in the Notice.

3.3 Board recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 3. This will restore the 15% annual limit permitted by Listing Rule 7.1 and allow the Company to issue further securities without Shareholder approval.

4. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

4.1 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.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$5,780,812 (based on the number of Shares on issue and the closing price of Shares on the ASX on 3 October 2022).

Resolution 4 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement 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 under 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.

4.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 4:

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

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

(b) Minimum price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 4.2(b)(i), the date on which the Equity Securities are issued.

(c) Use of funds raised under the 7.1A Mandate

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for potential acquisition of new assets and investments (including expenses associated with such an acquisition), continued expenditure on and development of the Company's current assets and general working capital.

For the avoidance of doubt, Equity Securities can only be issued under the 7.1A Mandate for cash consideration.

(d) Risk of Economic and Voting Dilution

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue and issued as at 19 October 2022.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.009	\$0.017	\$0.026
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	344,991,006	34,499,101	\$293,242	\$586,485	\$879,727
50% increase	517,486,509	51,748,651	\$439,864	\$879,727	\$1,319,591
100% increase	689,982,012	68,998,201	\$586,485	\$1,172,969	\$1,759,454

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 344,991,006 Shares on issue.
2. The issue price set out above is the closing market price of the Shares on the ASX on 13 October 2022 (being \$0.017).
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. 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%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company last obtained approval under Listing Rule 7.1A at its annual general meeting held on 31 January 2022.

During the 12 month period preceding the date of the Meeting, the Company has not issued any Equity Securities pursuant to the Previous Approval.

4.3 Voting exclusion statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

5. RESOLUTION 5 – AMENDMENT TO CONSTITUTION

5.1 Background

A Company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders pursuant to section 136(2) of the

Corporations Act. A special resolution must be passed by at least 75% of the votes cast by members entitled to vote on the resolution.

Resolution 5 seeks approval from the Shareholders to amend the Constitution to reflect recent updates to the Corporations Act and the Listing Rules summarised below (**Amended Constitution**).

Recent changes to the Corporations Act

The Corporations Act has been amended to extend the use of virtual meeting technology to facilitate holding general meetings (**Recent Amendments**). In particular, the Recent Amendments allows meetings of members to be held either physically, as a hybrid (physically and virtually), or, virtually only if expressly permitted by the entity's constitution (provided that shareholders are given a reasonable opportunity to participate in the meeting).

The Company seeks to update the Constitution reflecting these changes as well as giving the Company the flexibility to use virtual meeting technology and electronic communications to facilitate general meetings.

CHESS Replacement

Further proposed amendments to the Constitution are aimed at addressing the changes to the CHESS System which is due to be replaced in April 2023 (**CHESS Replacement**).

CHESS is the system used by the ASX to record shareholding and manage the clearing and settlement of share transactions in Australia. In 2017 ASX announced that CHESS was to be replaced with a new system that use distributed ledger technology.

As part of the CHESS Replacement, the new system will permit companies to register up to four joint holders per share, whereas currently the system only permits up to three joint holders. The Company seeks to update the Constitution to remove the limitation that only up to three joint holders per Share can be registered.

The Directors believe that it is more efficient in the circumstances to amend the existing Constitution rather than to replace it in its entirety. The Directors believe that these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed amendments is set out in section 5.2 below.

A copy of the Amended Constitution is available for review by Shareholders at the Company's website (www.norwoodsystems.com). A copy of the Amended Constitution can also be sent to Shareholders upon request to the Company Secretary at stuart.usher@norwoodsystems.com.

Shareholders are invited to contact the Company if they have any questions or concerns.

5.2 Amendments to the Constitution

A summary of the amendments to the Constitution is as follows.

(a) Amendment to joint holder provisions

Clause 9.8 of the Amended Constitution now permits the Company to register up to a maximum number of persons permitted to be registered under the ASX Settlement Operating Rules as joint holders of Shares.

(b) Adoption of virtual meeting provisions

(i) Clause 12.5 of the Amended Constitution gives the Company the option to hold general meetings physically, by a combination of physical venue and virtual means or using virtual meeting technology only provided that Shareholders have a reasonable opportunity to participate in the meetings.

(ii) Clause 12.6(a) of the Amended Constitution set out the information to be included in a notice of a general meeting for a physical, hybrid or virtual meeting so that Shareholders can participate in the meeting.

(iii) Clause 13.1 of the Amended Constitution states that a person is taken to be present at the meeting whether at a physical venue or by using virtual meeting technology.

(c) Amendment to voting provisions

Clause 13.14 of the Amended Constitution requires a resolution put to the vote at any general meeting to be decided on a poll if:

(i) virtual meeting technology is used in holding the meeting;

(ii) a poll is demanded; or

(iii) the Listing Rules require it to be decided on a poll; or

otherwise on a show of hands.

(d) Amendment to notice provisions

Clause 26.4 of the Amended Constitution provides, among other things, that, where a notice is sent by means of an electronic communication in accordance with section 253RA of the Corporations Act, the notice is deemed to be received on the business day after the day on which the notice is sent to the Shareholders.

5.3 Board recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 5.

If this Resolution is approved, the amendments to the Constitution will be adopted with effect from the close of the Meeting.

6. RESOLUTION 6 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISION

6.1 General

Clause 36 of the Amended Constitution contains proportional takeover approval provisions that prohibit the Company from registering a transfer of Shares under a

proportional takeover bid unless the bid is approved by resolution passed by Shareholders in a general meeting.

Under the Corporations Act, the proportional takeover approval provisions in a company's constitution must be renewed every three years or they will cease to have effect.

The Company is seeking Shareholder approval, by special resolution, to refresh such provisions in accordance with the Corporations Act.

If Resolution 6 is approved by the Shareholders, the proportional takeover provisions will be renewed and have effect on the terms set out in the Amended Constitution until 29 November 2025.

6.2 Information required by section 648G of the Corporations Act

The Corporations Act requires that following information be provided to Shareholders when they are considering the renewal or refresh of proportional takeover provision in a constitution.

(a) What is a proportional takeover bid?

A proportional takeover bid is a takeover bid where an offer is made to each shareholder of a company to acquire a specified proportion only of that shareholder's shares (that is, less than 100%). The specified proportion must be the same in the case of all shareholders.

The Corporations Act allows a company to provide in its constitution that if a proportional takeover bid is made, shareholders must vote on whether to accept or reject the proportional takeover bid and that decision will be binding on all shareholders. This provision allows shareholders to decide collectively whether a proportional takeover bid is acceptable in principle.

(b) Effect of the proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

(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 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. These amended 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 any person to acquire, or to increase the extent of, a substantial interest in the Company.

- (e) Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for shareholders include:

- (i) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (ii) assisting in preventing shareholders from being locked in as a minority;
- (iii) increasing the bargaining power of shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (iv) each individual shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for shareholders include:

- (i) proportional takeover bid may be discouraged;
- (ii) lost opportunity to sell a portion of their shares at a premium; and
- (iii) the likelihood of a proportional takeover bid succeeding may be reduced.

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provisions in the Amended Constitution is in the interest of the Shareholders.

7. RESOLUTION 7 – APPOINTMENT OF AUDITOR

7.1 General

As announced to the ASX on 27 September 2022, the Company's current auditor, BDO, has sought and obtained ASIC's consent to resign as auditor of the Company in accordance with section 329(5) of the Corporations Act due to BDO's limited capacity to undertake the audit as a result of reduction in staff resources. Accordingly, the Company has appointed Hall Chadwick as auditor of the Company to replace BDO under section 327C(1) of the Corporations Act to fill the casual vacancy. Pursuant to section 327C(2) of the Corporations Act, an

auditor appointed under section 327C(1) holds office until the company's next annual general meeting. This Resolution therefore seeks Shareholder approval to appoint Hall Chadwick as the auditor of the Company.

Pursuant to section 328B of the Corporations Act, the Company received a valid notice of nomination which nominated Hall Chadwick to be appointed as the new auditor of the Company. A copy of that notice is set out in Annexure A of this Notice of Meeting.

Hall Chadwick has given its written consent to act as the Company's auditor, subject to Shareholder approval and the resignation of BDO.

If Resolution 7 is passed, the appointment of Hall Chadwick as the Company's auditor will take effect from the close of the Meeting.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 4.1.

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

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

BDO means BDO Audit (WA) Pty Ltd (ACN 112 284 787).

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

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) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Norwood Systems Limited (ACN 062 959 540).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Hall Chadwick means Hall Chadwick (WA) Audit Pty Ltd (ACN 655 473 206).

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

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

Proxy Form means the proxy form accompanying the Notice.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A - NOMINATION OF AUDITOR LETTER

17 October 2022

Norwood Systems Limited
4 Leura Street
Nedlands WA 6009

NOMINATION OF AUDITOR

I, Dr John Tarrant being the sole director and shareholder of Balmain Resources Pty Ltd a shareholder of Norwood Systems Limited (**Company**), nominate Hall Chadwick WA Audit Pty Ltd in accordance with section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act.

Signed and dated: 17 October 2022

A small, square, light gray box containing a handwritten signature in blue ink. The signature appears to be 'J. Tarrant'.

Dr John Tarrant
Sole Director & Shareholder
Balmain Resources Pty Ltd

LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Norwood Systems Limited and entitled to attend and vote hereby:

APPOINT A PROXY

☐ The Chair of the Meeting

OR

☐



PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held **at the office of Advanced Share Registry Limited, 110 Stirling Highway, Nedlands, WA 6009 on 23 November 2022 at 2.30pm AWST** and at any adjournment or postponement of that Meeting.

Chair's voting intentions in relation to undirected proxies: The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chair may change his/her voting intentions on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or 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 this resolution is connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

VOTING DIRECTIONS

Resolutions

- 1 Adoption of Remuneration Report
- 2 Re-election of Director – Philip Marsland
- 3 Ratification of Prior Share Issue
- 4 Approval of 7.1A Mandate
- 5 Amendments to the Constitution
- 6 Renewal of Proportional Takeover Provision
- 7 Appointment of Auditor

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address



Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution 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 resolution 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 a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolution 1, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolution 1.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 2.30pm AWST on 21 November 2022, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033