

16 November 2023

Dear Shareholder

ANNUAL GENERAL MEETING

The Annual General Meeting of the shareholders of Norwood Systems Limited (“the Company”) **to be held at 110 Stirling Highway, Nedlands, WA 6009 and virtually at 3:00 pm AWST on Tuesday, 19 December 2023.**

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: www.advancedshare.com.au/Investor-Login. 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 3:00 pm AWST on 17 December 2023, 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.

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

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: 3.00pm AWST

DATE: Tuesday, 19 December 2023

PLACE: Hybrid Meeting – virtual and in person at 150 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 3.00pm AWST on 17 December 2023.

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 2023 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 2023.”

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 OTLEY

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 Otley, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES AND PLACEMENT OPTIONS – LISTING RULE 7.1

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 ratify the issue of 12,250,000 Placement Shares and 12,250,000 Placement Options on the terms and conditions set out in the Explanatory Statement.”

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

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT OPTIONS – LISTING RULE 7.1

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 ratify the issue of 1,500,000 Placement Options to Alto Capital on the terms and conditions set out in the Explanatory Statement.”

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

5. RESOLUTION 5 – ISSUE OF PLACEMENT SHARES AND PLACEMENT OPTIONS TO RELATED PARTY – BALMAIN RESOURCES

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,500,000 Placement Shares and 2,500,000 Placement Options to Balmain Resources (or its nominee) on the terms and conditions set out in the Explanatory Statement.”

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

6. RESOLUTION 6 – ISSUE OF PLACEMENT SHARES AND PLACEMENT OPTIONS TO RELATED PARTY – PAUL OSTERGAARD

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 250,000 Placement Shares and 250,000 Placement Options to Paul Ostergaard (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

7. RESOLUTION 7 – ISSUE OF PLACEMENT SHARES AND PLACEMENT OPTIONS TO RELATED PARTY – PHILIP OTLEY

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 250,000 Placement Shares and 250,000 Placement Options to Philip Otley (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

8. RESOLUTION 8 – ISSUE OF PLACEMENT SHARES AND PLACEMENT OPTIONS TO RELATED PARTY – PHILIP MARSLAND

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,500,000 Placement Shares and 2,500,000 Placement Options to Philip Marsland (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

9. RESOLUTION 9 – ISSUE OF PERFORMANCE OPTIONS TO RELATED PARTY – PAUL OSTERGAARD

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 5,000,000 Performance Options to Paul Ostergaard (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

10. RESOLUTION 10 – ISSUE OF PERFORMANCE OPTIONS TO RELATED PARTY – PHILIP OTLEY

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 5,000,000 Performance Options to Philip Otley (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

11. RESOLUTION 11 – ISSUE OF PERFORMANCE OPTIONS TO RELATED PARTY – PHILIP MARSLAND

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 5,000,000 Performance Options to Philip Marsland (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

12. RESOLUTION 12 – 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."

Dated: 16 November 2023

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:
Resolution 9 – Issue of Performance Options to Related Party – Paul Ostergaard	(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.
Resolution 10 – Issue of Performance Options to Related Party – Philip Otley	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:
Resolution 11 – Issue of Performance Options to Related Party – Philip Marsland	(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:

Resolution 3 - Ratification of prior issue of Placement Shares and Placement Options	A person who participated in the issue or an associate of that person or those persons.
Resolution 4 – Ratification of prior issue of Placement Shares and Placement Options	Alto Capital or an associate of that person or those persons.
Resolution 5- Issue of Placement Shares and Placement Options to Related Party – Balmain Resources	Balmain Resources (or its nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 6 – Issue of Placement Shares and Placement Options to Related Party – Paul Ostergaard Resolution 9 – Issue of Performance Options to Related Party – Paul Ostergaard	Paul Ostergaard (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 7 – Issue of Placement Shares and Placement Options to Related Party – Philip Otley Resolution 10 – Issue of Performance Options to Related Party – Philip Otley	Philip Otley (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

Resolution 8 – Issue of Placement Shares and Placement Options to Related Party – Philip Marsland

Resolution 11 – Issue of Performance Options to Related Party – Philip Marsland

Philip Marsland (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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 2023 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 OTLEY

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

2.2 Qualifications and other material directorships

Philip Otley has developed a more than thirty-year career in commercial business operations, venture creation and strategy consulting at an international level. He is expert in defining and creating strategic growth platforms and digital and data-powered business models.

He has served as Partner/Senior Executive & Pricing Strategy Practice Leader for Accenture, as Senior Partner & Global Co-lead of the Marketing Strategy Practice for Prophet, as Partner in the Digital Services practice of PwC Australia and as Senior Advisor with the growth strategy consultancy Growth Mantra.

He has founded several companies as an entrepreneur and in collaboration with larger organisations. Most recently, Mr Otley founded The Growth Advisors (Ltd) to act as a strategic growth consultancy serving blue-chip clients and selected high-growth companies globally from his base in Europe.

Mr Otley has an MBA from IMD Switzerland and a Bachelor of Arts from UWA.

Mr Otley has proven capabilities in building highly successful teams and winning market propositions, with a track record of applying balanced strategic, commercial and creative approaches to achieve organic and M&A driven growth.

Independence

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

2.3 Board recommendation

The Board has reviewed Mr Otley's performance since his appointment to the Board and considers that Mr Otley'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 Otley and recommends that Shareholders vote in favour of this Resolution.

3. BACKGROUND INFORMATION – RESOLUTIONS 3 TO 8

3.1 General

On 25 October 2023 (**25 October Announcement**), the Company announced that it had received a letter of firm commitments from ACNS Capital Markets Pty Ltd T/A Alto Capital (ACN 088 503 208) (AFSL 279099) (**Alto Capital**) engaged by the Company in relation to a capital raising of \$710,000 (before costs) via the issue of 17,750,000 Placement Shares at \$0.04 per Share, with one free attaching Placement Option for each Placement Share (**Placement**).

Funds raised from the Placement will be applied to expand the Company's sales and marketing reach, accelerate its product development efforts, enhance its products' customer experience, increase operational efficiency and pursue fruitful partnership opportunities.

Alto Capital, as appointed corporate advisor, will receive a cash fee of 6% of the total gross proceeds of the Placement. In addition, the Company will issue 1,500,000 Placement Options to Alto Capital as a success fee (**Mandate**).

The Placement Shares and Placement Options issued to unrelated investors and Placement Options issued to Alto Capital were conducted using the Company's available capacity under Listing Rule 7.1.

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of 12,250,000 Placement Shares and 12,250,000 Placement Options to unrelated professional and sophisticated investors under the Placement.

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of 1,500,000 Placement Options to Alto Capital as success fee.

Also as stated in the 25 October Announcement, all Directors have notified the Company that they intend to apply for Placement Shares and Placement Options under the Placement subject to Shareholder approving the following resolutions under this Notice pursuant to Listing Rule 10.1:

- (a) Resolution 5 – for Balmain Resources, an entity associated with Dr John Tarrant, to participate in the Placement of up to \$100,000, that is, up to 2,500,000 Shares with 2,500,000 Placement Options;
- (b) Resolution 6 – for Paul Ostergaard to participate in the Placement of up to \$10,000, that is, up to 250,000 Shares and 250,000 Placement Options;
- (c) Resolution 7 – for Philip Otley to participate in the Placement of up to \$10,000, that is, up to 250,000 Shares and 250,000 Placement Options; and
- (d) Resolution 8 – for Philip Marsland to participate in the Placement of up to \$100,000, that is, up to 2,500,000 Shares with 2,500,000 Placement Options.

Further information about each Resolution is set out below.

4. RESOLUTIONS 3 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES AND PLACEMENT OPTIONS – LISTING RULE 7.1

4.1 General

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

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 23 November 2022.

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

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

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

4.2 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the Placement Shares and Placement Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Placement Shares and the Placement Options.

If Resolution 3 is not passed, the Placement Shares and Placement Options will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Placement Shares and Placement Options.

4.3 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided:

- (a) the Shares were issued to professional and sophisticated investors who are clients of Alto Capital. The recipients were identified through a bookbuild process, which involved Alto Capital seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients the subject of this Resolution were:

- (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
- (ii) issued more than 1% of the issued capital of the Company;
- (c) the Placement Shares issued are all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares and the terms and conditions of the Placement Options are set out in Schedule 1 of this Notice;
- (d) 12,250,000 Placement Shares and 12,250,000 Placement Options were issued on 14 November 2023;
- (e) the issue price of the Shares was \$0.04 per Share and the Placement Options were free attaching to the Shares on a 1 for 1 ratio. The Company has not and will not receive any other consideration for the issue of the Shares and the Placement Options;
- (f) the purpose of the Placement is set out in Section 3.1 above;
- (g) the Placement Shares and Placement Options were issued under the Alto Mandate. A summary of the material terms of the Alto Mandate is set out in Section 3.1 above; and
- (h) a voting exclusion statement is included in Resolution 3 of the Notice.

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT OPTIONS – LISTING RULE 7.1

5.1 General

See Section 4.1 above for general information.

5.2 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Placement Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Options.

If Resolution 4 is not passed, the Placement Options will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Placement Options.

5.3 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) the Placement Options were issued to Alto Capital;
- (b) the terms and conditions of the Placement Options are set out in Schedule 1;

- (c) 1,500,000 Placement Options were issued on 14 November 2023;
- (d) the Placement Options were issued at a nil issue price and as Alto Capital's success fee for the Placement. The Company has not and will not receive any other consideration for the issue of the Placement Options to Alto Capital;
- (e) the purpose of the issue of the Placement Options was to satisfy the Company's obligations pursuant to the Mandate;
- (f) the Placement Options were issued under the Mandate. A summary of the material terms of the Mandate are set out in Section 4.1 above; and
- (g) a voting exclusion statement is included in Resolution 4 of the Notice.

6. RESOLUTIONS 5 TO 8 – ISSUE OF PLACEMENT SHARES AND PLACEMENT OPTIONS TO RELATED PARTIES

6.1 General

As set out in Section 3.1 above, Philip Otley, Philip Marsland, Paul Ostergaard and Dr John Tarrant (together, the **Related Parties**) intend to participate in the Placement (**Participation**). Resolutions 5 to 8 seek Shareholder approval for the issue of up to an aggregate of 5,500,000 Shares and 5,500,000 Placement Options to the Related Parties arising from the Related Parties' Participation in the Placement.

6.2 Chapter 2E of the Corporations Act

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

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

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

The Participation will result in the issue of Placement Shares and Placement Options which constitutes giving a financial benefit and Philip Otley, Philip Marsland, Paul Ostergaard and Dr John Tarrant are related parties of the Company by virtue of being Directors.

In respect of Resolution 5, the Directors (other than Dr John Tarrant who has a material personal interest in Resolution 5) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Dr Tarrant's Participation because the Placement Shares and Placement Options will be issued to Balmain Resources on the same terms as those issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

In respect of Resolution 6, the Directors (other than Paul Ostergaard who has a material personal interest in Resolution 6) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Mr

Ostergaard's Participation for the same reason as is given for Balmain Resources Participation above.

In respect of Resolution 7, the Directors (other than Philip Otley who has a material personal interest in Resolution 7) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Mr Otley's Participation for the same reason as is given for Balmain Resources Participation above.

In respect of Resolution 8, the Directors (other than Philip Marsland who has a material personal interest in Resolution 8) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Mr Marsland's Participation for the same reason as is given for Balmain Resources Participation above.

6.3 Listing Rule 10.11

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

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3;
or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Participation falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

If Resolutions 5 to 8 are passed, the Company will be able to proceed with the issue of Placement Shares and Placement Options to the Related Parties under the Placement.

If Resolutions 5 to 8 are not passed, the Company will not be able to proceed with the issue of Placement Shares and Placement Options to the Related Parties under the Placement.

6.4 Technical information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 5 to 8:

		Resolution 2	Resolution 3	Resolution 4	Resolution 5
(a)	Name of the person	Balmain Resources (an entity associated with Dr John Tarrant)	Paul Ostergaard (or his nominee)	Philip Otley (or his nominee)	Philip Marsland (or his nominee)
(b)	Maximum number to be issued	2,500,000 Shares and 2,500,000 Placement Options	250,000 Shares and 250,000 Placement Options	250,000 Shares and 250,000 Placement Options	2,500,000 Shares and 2,500,000 Placement Options
(c)	Class of securities	The Shares will be in the Company's existing class of fully paid ordinary shares. The terms and conditions of the Placement Options are set out in Schedule 1.			
(d)	Date to be issued	The Placement Shares and Placement Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that the issue will occur on the same date).			
(e)	Consideration of the issue	The issue price of the Placement Shares will be \$0.04 per Shares and the Placement Options will be free attaching, that is for nil cash consideration. The pricing is the same as those issued to other participants under the Placement.			
(f)	Purpose and use of funds	The purpose and the intended use of funds for the Placement is set out in Section 3.1 above.			
(g)	Voting exclusion statement	A voting exclusion statement is included in each of Resolutions 5 to 8 of the Notice.			

7. RESOLUTIONS 9 TO 11 – ISSUE OF PERFORMANCE OPTIONS TO RELATED PARTIES

7.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 5,000,000 Performance Options to Paul Ostergaard and 5,000,000 Performance Options to each of Philip Otley and Philip Marsland (together, the **Performance Options**). The Company considers that the issue of these Performance Options will further align the interests of the Directors with those of the Shareholders.

Resolution 9 seeks Shareholder approval for the issue of the Performance Options to Paul Ostergaard.

Resolution 10 seeks Shareholder approval for the issue of the Performance Options to Philip Otley.

Resolution 11 seeks Shareholder approval for the issue of the Performance Options to Philip Marsland.

7.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 6.2 above.

The issue of the Performance Options constitutes giving a financial benefit to the Directors.

In respect of Resolution 9, the Directors (other than Paul Ostergaard who has a material personal interest in Resolution 9) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Performance Options to Paul Ostergaard because the number of Performance Options to be issued to Paul Ostergaard was determined to be reasonable in circumstances and was negotiated on an arm's length basis.

In respect of Resolution 10, the Directors (other than Philip Otley who has a material personal interest in Resolution 10) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Performance Options to Philip Otley because the number of Performance Options to be issued to Philip Otley was determined to be reasonable in circumstances and was negotiated on an arm's length basis.

In respect of Resolution 11, the Directors (other than Philip Marsland who has a material personal interest in Resolution 11) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Performance Options to Philip Marsland because the number of Performance Options to be issued to Philip Marsland was determined to be reasonable in circumstances and was negotiated on an arm's length basis.

7.3 Listing Rule 10.11

A summary of Listing Rule 10.11 is set out in Section 6.3 above.

The issue of the Performance Options falls within Listing Rule 10.11.1 and none of the exceptions in Listing Rule 10.12 applies. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 9 to 11 seek the required Shareholder approval for the issue of the Performance Options under and for the purposes of Listing Rule 10.11.

If Resolutions 9 to 11 are passed, the Company will be able to proceed with the issue of the Performance Options to Paul Ostergaard, Philip Otley and Philip Marsland within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Options (because approval is being obtained under Listing Rule 10.11), the issue of the Performance Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 9 to 11 are not passed, the Company will not be able to proceed with the issue of the Performance Options.

7.4 Technical information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 9 to 11:

		Resolution 9	Resolution 10	Resolution 11												
(a)	Name of the person	Paul Ostergaard (or his nominee)	Philip Otley (or his nominee)	Philip Marland (or his nominee)												
(b)	Maximum number to be issued	5,000,000 Performance Options	5,000,000 Performance Options	5,000,000 Performance Options												
(c)	Class of securities	The terms and conditions of the Performance Options are set out in Schedule 2.														
(d)	Date to be issued	The Performance Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that issue of the Performance Options will occur on the same date).														
(e)	Issue price of the Performance Options	Nil. The Company will not receive any other consideration in respect of the issue of the Performance Options.														
(f)	Purpose of the issue	The purpose of the issue of the Performance Options is to provide a performance linked incentive component in the remuneration package for the related party to align the interests of the Directors with those of Shareholders, to motivate and reward the performance of the Directors and to provide a cost effective way for the Company to remunerate the Directors, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors.														
(g)	Total remuneration package for the Related Parties <i>*From the Director Remuneration report Note 14.3 2023 Annual Report, includes cash and share based payments.</i>	<table border="1"> <thead> <tr> <th>Director</th> <th>Current Remuneration</th> <th>Proposed Remuneration</th> </tr> </thead> <tbody> <tr> <td>Paul Ostergaard (Resolution 9)</td> <td>\$451,300*</td> <td>\$328,091</td> </tr> <tr> <td>Philip Otley (Resolution 10)</td> <td>\$61,022*</td> <td>\$50,882</td> </tr> <tr> <td>Philip Marland (Resolution 11)</td> <td>\$61,022*</td> <td>\$50,882</td> </tr> </tbody> </table>			Director	Current Remuneration	Proposed Remuneration	Paul Ostergaard (Resolution 9)	\$451,300*	\$328,091	Philip Otley (Resolution 10)	\$61,022*	\$50,882	Philip Marland (Resolution 11)	\$61,022*	\$50,882
Director	Current Remuneration	Proposed Remuneration														
Paul Ostergaard (Resolution 9)	\$451,300*	\$328,091														
Philip Otley (Resolution 10)	\$61,022*	\$50,882														
Philip Marland (Resolution 11)	\$61,022*	\$50,882														
(h)	Valuation of the Performance Options	The valuation of the Performance Options and the pricing methodology is set out in Schedule 3.														
(i)	Whether issued under an agreement	The Performance Options are not being issued under an agreement.														

(i)	Voting exclusion statement	A voting exclusion statement is included in each of Resolutions 9 to 11 of the Notice.
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8. RESOLUTION 12 – APPROVAL OF 7.1A MANDATE

8.1 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 \$15,820,235 (based on the number of Shares on issue and the closing price of Shares on the ASX on 16 November 2023).

Resolution 12 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 12 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 12 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.

8.2 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 12:

(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 8.2(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 12 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 18 October 2023.

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		
			\$0.019	\$0.037	\$0.056
			50% decrease	Issue Price	50% increase
		Funds Raised			
Current	427,573,922	42,757,392	\$791,012	\$1,582,024	\$2,373,035
50% increase	641,360,883	64,136,088	\$1,186,518	\$2,373,035	\$3,559,553
100% increase	855,147,844	85,514,784	\$1,582,024	\$3,164,047	\$4,746,071

*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 427,573,922 Shares on issue.
2. The issue price set out above is the closing market price of the Shares on the ASX on 15 November 2023 (being \$0.037).
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 23 November 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.

8.3 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.

SCHEDULE 1 – TERMS AND CONDITIONS OF THE PLACEMENT OPTIONS

(a) Entitlement

Each Placement Option entitles the holder to subscribe for one Share upon exercise of the Placement Option.

(b) Exercise Price

Subject to paragraph (i), the Placement Options are exercisable at \$0.05 each at any time up to 5.00pm (WST) on 31 October 2025 (**Expiry Date**). Any Placement Option not exercised by the Expiry Date will automatically expire on the Expiry Date.

(c) Exercise

The Placement Options are exercisable by delivering to the registered office of the Company a notice in writing (**Notice of Exercise**) stating the intention of the Optionholder to exercise a specified number of the Placement Options, accompanied by an Option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the Placement Options held does not affect the Optionholder's right to exercise the balance of any Placement Options remaining.

(d) Timing of issue of Shares on exercise

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Placement Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Placement Options.

If a notice delivered under (d)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(e) Ranking of Shares

Subject to the Constitution, all Shares issued on the exercise of the Placement Options will rank in all respects (including rights relating to dividends) equally with the then existing fully ordinary shares of the Company at the date of issue.

(f) Transferability

Subject to the Corporations Act, Constitution and the Listing Rules, the Placement Options are transferable.

(g) Quotation of Shares on exercise

The Company will apply to ASX for Official Quotation of the Shares issued on exercise of Placement Options.

(h) Participation rights

The Optionholder is not entitled to participate in any issue to existing Shareholders of securities unless they have exercised their Placement Options before the relevant "record date" for determining entitlements to the issue of securities and participate as a result of holding Shares. The Company must give the Optionholder notice of the proposed terms of the issue or offer in accordance with the Listing Rules.

(i) Reorganisation

If there is a reorganisation (including consolidation, sub-division, reduction or return) of the issued share capital of the Company, then the rights of the Optionholder (including the number of Placement Options to which the Optionholder is entitled to and the exercise price) is changed to the extent necessary to comply with the Corporations Act and the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

(j) Amendments

There will be no change to the exercise price of the Placement Options in the event the Company makes a pro rata rights issue of securities.

(k) Quotation

The Company will not seek to have the Placement Options quoted by ASX.

SCHEDULE 2 – TERMS AND CONDITIONS OF THE PERFORMANCE OPTIONS

(a) **Entitlement**

Subject to paragraph (d), each NED Performance Option entitles the holder to receive one Share upon exercise of the NED Performance Option;

(b) **Vesting Conditions**

The Performance Options will vest:

- (i) once a customer agreement is signed where the total minimum contract value reaches or surpasses AUD \$1 million within FY2024; or
- (ii) market capitalisation of AUD\$30 million achieved by 30 June 2024 over a window of not less than 30 days of continuous trading days or where a change of control is agreed by the Norwood Board and Shareholders. A 30-day volume weighted average price ('VWAP') will be used to determine the share price. Condition to be satisfied no later than 30 June 2024.

(b) **Exercise Price**

Subject to paragraph (h), the amount payable upon exercise of each NED Performance Option will be 8 cents (**Exercise Price**).

(c) **Expiry Date**

Each Incentive Option will expire at 5:00 pm (WST) on the date that is three (3) years from the date of issue of the Performance Options (**Expiry Date**). An NED Performance Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Automatic Exercise**

The Performance Options will automatically be exercised at any time prior to the Expiry Date upon satisfaction of the Vesting Conditions.

(e) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case, no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) issue the number of Shares required under these terms and conditions in respect of the number of Performance Options;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section

708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Performance Options.

If a notice delivered under (e)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(f) **Shares issued on exercise**

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

(g) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(h) **Participation in new issues**

There are no participation rights or entitlements inherent in the Performance Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Options without exercising the Performance Options.

(i) **Change in exercise price**

An NED Performance Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the NED Performance Option can be exercised.

(j) **Transfer of Performance Options**

The Performance Options are non-transferrable.

(k) **Subdivision 83AC**

Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies to the Performance Options.

SCHEDULE 3 – VALUATION OF THE PERFORMANCE OPTIONS

The Performance Options to be issued to the Directors pursuant to Resolutions 9 to 11 have been valued by internal management.

The Performance Options were valued using the Black-Scholes Valuation Method using inputs set out below:

Inputs	Performance Options Paul Ostergaard	Performance Options Phili Otley and Philip Marsland
Number of performance rights	5,000,000	10,000,000
Grant Date	26 Oct 2023	26 Oct 2023
Valuation date	26 Oct 2023	26 Oct 2023
Share Price ¹	4.1 cents	4.1 cents
Exercise price	8 cents	8 cents
Expiry date (length of time from issue)	3 Years	3 Years
Interest Rate ²	4.34%	4.34%
Volatility Rate ³	89%	89%
Indicative value per Incentive Option	\$0.003758	\$0.003758
Total Value of Incentive Options	18,789	37,580
- Paul Ostergaard (Resolution 9)	18,789	-
- Philip Otley (Resolution 10)	-	18,789
- Philip Marsland (Resolution 11)	-	18,789

Notes:

1. The Share Price is the closing price of Shares on ASX on the trading day prior to the valuation date.
2. The interest rate is the Capital Market Yields of Government Bonds rate as published by the Reserve Bank of Australia on 27-Oct 2023.
3. Volatility Rate is determined from the daily movements in share price over the last 12 months.

Note: The valuation noted above is not necessarily the market price that the Performance Options could be traded at and is not automatically the market price for taxation purposes.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 8.1.

Alto Mandate has the meaning given in Section 3.1 of the Explanatory Statement.

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.

Balmain Resources means Balmain Resources Pty Ltd (ACN 076 375 203).

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.

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.

Option means an option to acquire a Share.

Performance Options means an Option to acquire a Share subject to the terms and conditions set out in Schedule 2.

Placement has the meaning given in Section 3.1 of the Explanatory Statement.

Placement Options means an Option to acquire a Share subject to the terms and conditions set out in Schedule 1.

Placement Shares means Shares issued or to be issued under the Placement.

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.

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.


Important Note: The Company has determined that Shareholders will be able to attend and participate in the meeting through an online platform provided by Advanced Share Registry.

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 110 Stirling Highway, Nedlands, WA 6009 and virtually on Tuesday, 19 December 2023 at 3:00 pm 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 Resolutions 1, 9, 10 & 11 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

VOTING DIRECTIONS

Resolutions	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Philip Otle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of prior issue of Placement Shares and Placement Options – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of prior issue of Placement Options – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of Placement Shares and Placement Options to Related Party – Balmain Resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue of Placement Shares and Placement Options to Related Party – Paul Ostergaard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Issue of Placement Shares and Placement Options to Related Party – Philip Otle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Issue of Placement Shares and Placement Options to Related Party – Philip Marsland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Issue of Performance Options to Related Party – Paul Ostergaard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Issue of Performance Options to Related Party – Philip Otle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Issue of Performance Options to Related Party – Philip Marsland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Approval of 7.1A Mandate	<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.

NORWOOD SYSTEMS LIMITED - ANNUAL GENERAL MEETING

The Company has determined that Shareholders will be able to attend and participate in the Meeting through an online platform provided by Advanced Share Registry. To facilitate such participation, voting on each Resolution will occur by a poll rather than a show of hands.

A live webcast and electronic voting via www.advancedshare.com.au/virtual-meeting will be offered to allow Shareholders to attend the Meeting and vote online.

Please refer to the Meeting ID and Shareholder ID on the proxy form to login to the website.

Shareholders may submit questions ahead of the Meeting via the portal.

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 Resolutions 1, 9, 10 & 11, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 1, 9, 10 & 11.

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:

- 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
- 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 3:00 pm AWST on 17 December 2023, 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