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

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Notice is given that the Meeting will be held at:

**TIME:** 2:00pm (WST)

**DATE:** Tuesday, 27 August 2019

**PLACE:** The University Club

Hackett Drive, Crawley WA 6009, Australia

***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 5:00pm (WST) on 25 August 2019.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,550,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 66,666,667 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 3. RESOLUTION 3 – ISSUE OF PLACEMENT OPTIONS

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 66,666,667 Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 4. RESOLUTION 4 – ISSUE OF FEE OPTIONS

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 15,000,000 Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 5. RESOLUTION 5 – ISSUE OF UNDERWRITER OPTIONS

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 20,000,000 Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – SHARES

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10,295,612 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE – SHARES

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 77,230,407 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 8. RESOLUTION 8 – RATIFICATION OF ISSUE OF SHARES AND OPTIONS ON CONVERSION OF CONVERTIBLE NOTE

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 100,000,000 Shares and 100,000,000 Options on conversion of the Convertible Note on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 9. RESOLUTION 9 – ISSUE OF OPTIONS TO MR GILES EVERIST

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

*“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 9,000,000 Options to Mr Giles Everist (or his nominee) under the Incentive Option Plan on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors (**Resolution 9 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 9 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and

- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 9 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and  
(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 10. RESOLUTION 10 – ISSUE OF OPTIONS TO MR MICHAEL EDWARDS

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

*“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 9,000,000 Options to Mr Michael Edwards (or his nominee) under the Incentive Option Plan on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors (**Resolution 10 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 10 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

Provided the Chair is not a Resolution 10 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and  
(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 11. RESOLUTION 11 – ISSUE OF OPTIONS TO MR PAUL OSTERGAARD

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

*“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 40,000,000 Options to Mr Paul Ostergaard (or his nominee) under the Incentive Option Plan on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors (**Resolution 11 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions

on the Proxy Form, or, provided the Chair is not a Resolution 11 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

Provided the Chair is not a Resolution 11 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 12. RESOLUTION 12 – ADOPTION OF EMPLOYEE SHARE PLAN

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

*“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Share Plan and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, or any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 13. RESOLUTION 13 – ISSUE OF DIRECTOR INCENTIVE SHARES AND APPROVAL OF LOAN TO MR PAUL OSTERGAARD

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

*“That, subject to the passing of Resolution 12, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to*

*40,000,000 Shares as Director incentive remuneration to Mr Paul Ostergaard (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors (**Resolution 13 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 13 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution. Provided the Chair is not a Resolution 13 Excluded Party, the above prohibition does not apply if:
  - (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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#### **14. RESOLUTION 14 – ISSUE OF SHARES AND OPTIONS**

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 8,000,000 Shares and 5,000,000 NOROA Options, on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### **15. RESOLUTION 15 – ISSUE OF OPTIONS**

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 9,000,000 Options on the terms and conditions set out in the Explanatory Statement."*

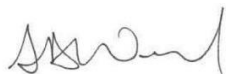
**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy

Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**Dated: 25 July 2019**

**By order of the Board**



**Steven Wood  
Company Secretary**

**Voting in person**

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

**Voting by proxy**

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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 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then 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 changes to the Corporations Act made in 2011 mean 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.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9322 7600.***



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## EXPLANATORY STATEMENT

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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.

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### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

#### 1.1 General

The Company has engaged Grange Consulting Group Pty Ltd (ACN 154 869 066) (**Grange**) to provide company secretarial, financial management and corporate advisory services. In consideration for the provision of those services the Company issued Grange an aggregate of 5,550,000 Shares, comprising of an issue of 3,350,000 Shares on 14 December 2018 and 2,200,000 Shares on 1 March 2019.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

#### 1.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) 5,550,000 Shares were issued;
- (b) the Shares were issued for nil cash consideration in satisfaction of certain company secretarial, financial management and corporate advisory services provided by Grange;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Grange, who is not a related party of the Company; and
- (e) no funds were raised from this issue as the Shares were issued for nil cash consideration.

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## **2. BACKGROUND TO RESOLUTIONS 2 TO 4**

On 20 March 2019, the Company announced the completion of a placement to APSEC Funds Management Pty Ltd (**Subscriber**) to raise \$200,000 through the issue of 66,666,667 Shares at an issue price of \$0.003 per Share (**Placement Shares**) together with one free attaching Option for every Share subscribed for and issued (**Placement Options**) (**Placement**).

The Company also agreed to issue the Subscriber a further 15,000,000 Options (**Fee Options**).

The Placement Options and the Fee Options will be issued on the same terms as the Company's existing class of quoted Options (ASX:NOROA), which are exercisable at \$0.008 each on or before 31 October 2020. The Company will seek to have the Placement Options and the Fee Options quoted on the ASX.

The Company issued the Placement Shares on 22 March 2019 without prior Shareholder approval out of its 15% annual placement capacity. Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Placement Shares.

The issue of the Placement Options and the Fee Options remains subject to Shareholder approval which is sought under Resolutions 3 and 4.

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## **3. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES**

### **3.1 General**

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Placement Shares.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Section 1.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **3.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 2:

- (a) 66,666,667 Shares were issued;
- (b) the issue price was \$0.003 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to the Subscriber, who is not a related party of the Company; and
- (e) the funds raised from this issue are being used to pursue material licencing deals and revenue generating contracts related to World Voicemail.

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## **4. RESOLUTION 3 – ISSUE OF PLACEMENT OPTIONS**

### **4.1 General**

Resolution 3 seeks Shareholder approval for the issue of the Placement Options.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 3 will be to allow the Company to issue the Placement Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **4.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the maximum number of Options to be issued is 66,666,667;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) the issue price of the Options will be nil as they will be issued free attaching with the Shares issued pursuant to the Placement on a 1:1 basis
- (d) the Options will be issued to the Subscriber on the basis of one Option for every Share subscribed for and issued;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the issue of the Placement Options as the Placement Options are being issued for nil cash consideration. The funds raised from the issue of the Placement Shares will be applied as set out in Section 3.2(e).

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## **5. RESOLUTION 4 – ISSUE OF FEE OPTIONS**

### **5.1 General**

Resolution 4 seeks Shareholder approval for the issue of the Fee Options.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 4 will be to allow the Company to issue the Fee Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **5.2 Technical information required by ASX Listing Rule 7.1**

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

- (a) the maximum number of Options to be issued is 15,000,000;

- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is likely that issue will occur progressively as each service is provided to the Company;
- (c) the Options will be issued for nil cash consideration, in consideration for the Subscriber participating in the Placement;
- (d) the Options will be issued to the Subscriber, who is not a related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the issue of the Fee Options as the Fee Options will be issued for nil cash consideration. The funds raised from the issue of the Placement Shares will be applied as set out in Section 3.2(e).

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## **6. RESOLUTION 5 – ISSUE OF UNDERWRITER OPTIONS**

### **6.1 General**

On 25 March 2019, the Company announced that it was offering eligible Shareholders the opportunity to participate in a non-renounceable entitlement issue of one (1) Share for every four (4) Shares held by those Shareholders registered at the record date, being up to 377,796,853 Shares at an issue price of \$0.003 per Share to raise up to approximately \$1,133,391, together with Options on the basis of one (1) free attaching Option for every Share issued (**Offer**).

The Offer was partially underwritten and managed by Pinnacle Corporate Finance Pty Ltd (ACN 149 263 543) (**Pinnacle**), up to a maximum amount of 361,130,186 Shares.

As part consideration for services provided to the Company in connection with the Offer, the Company agreed to issue 20,000,000 Options to Pinnacle, subject to obtaining Shareholder approval (**Underwriter Options**). The Underwriter Options will be issued on the same terms as the Company's existing class of quoted Options (ASX:NOROA), which are exercisable at \$0.008 each on or before 31 October 2020. The Company will seek to have the Underwriter Options quoted on the ASX.

If the Company does not obtain approval to issue the Underwriter Options at this Meeting, the Company will pay Pinnacle \$15,000 in lieu of the issue of the Underwriter Options.

Resolution 5 seeks Shareholder approval for the issue of the Underwriter Options.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 5 will be to allow the Company to issue the Underwriter Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **6.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- (a) the maximum number of Options to be issued is 20,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) the Options will be issued for nil cash consideration in satisfaction of underwriting and lead manager services provided by Pinnacle in connection with the Offer;
- (d) the Options will be issued to Pinnacle (or its nominees), who are not related parties of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the Placement as the Options are being issued in consideration.

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## **7. RESOLUTIONS 6 AND 7 - RATIFICATION OF PRIOR ISSUE – SHARES**

### **7.1 General**

On 24 April 2019, the Company issued 87,526,019 Shares at an issue price of \$0.003 per Share to raise approximately \$262,578.

10,295,612 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1 and 77,230,407 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 29 November 2018.

Resolutions 6 and 7 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

### **7.2 Resolution 6 – ASX Listing Rule 7.1**

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Section 1.1 above.

By ratifying the issue, the subject of Resolution 6, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **7.3 Resolution 7 – ASX Listing Rule 7.1A**

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

By ratifying the issue the subject of Resolution 7, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

#### **7.4 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 6 and 7:

- (a) 87,526,019 Shares were issued on the following basis:
  - (i) 10,295,612 Shares issued pursuant to ASX Listing Rule 7.1; and
  - (ii) 77,230,407 Shares issued pursuant to ASX Listing Rule 7.1A;
- (b) the issue price was \$0.003 per Share under both the issue of Shares pursuant to ASX Listing Rule 7.1 and ASX Listing Rule 7.1A;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to professional and sophisticated investors. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue were used for pursuing material licensing deals and revenue contracts related to World Voicemail.

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### **8. RESOLUTION 8 – RATIFICATION OF ISSUE OF SHARES AND OPTIONS ON CONVERSION OF CONVERTIBLE NOTE**

#### **8.1 General**

As announced on 5 March 2019, the Company entered into a convertible note agreement with a sophisticated investor (the **Noteholder**), whereby the Company issued a convertible note to the Noteholder to raise \$300,000 (**Convertible Note**) (**Convertible Note Agreement**).

The Convertible Note Agreement provided the Noteholder with the right to elect to convert the Convertible Note in full through the issue of 100,000,000 Shares together with 100,000,000 Options issued on the same terms as the Company's existing class of quoted Options (ASX:NOROA), which are exercisable at \$0.008 each on or before 31 October 2020 (together, the **Convertible Note Securities**). The Convertible Note Securities were issued on 17 May 2019.

Resolution 8 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Convertible Note Securities.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Section 1.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## 8.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 8:

- (a) 100,000,000 Shares and 100,000,000 Options were issued;
- (b) no funds were raised from the issue of the Shares or the Options on conversion of the Convertible Note, as the Shares were issued on conversion of the Convertible Note at a conversion price of \$0.003 per Share, and the Options were issued as free attaching with the Shares on a 1:1 basis. The funds raised from the issue of the Convertible Notes were applied towards working capital in order to enable the Company to continue pursuing revenue generating contracts related to World Voicemail;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Options were issued on the terms and conditions set out in Schedule 1; and
- (e) the Shares and Options were issued to the Noteholder who is not a related party of the Company.

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## 9. RESOLUTIONS 9, 10 AND 11 – ISSUE OF OPTIONS TO MR GILES EVERIST, MR MICHAEL EDWARDS AND MR PAUL OSTERGAARD

### 9.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 58,000,000 Options to Mr Giles Everist, Mr Michael Edwards and Mr Paul Ostergaard (or their nominees) (**Related Parties**) pursuant to the Incentive Option Plan (**Option Plan**) and on the terms and conditions set out below.

It is noted that the issue of the 40,000,000 NOROA Options to Mr Paul Ostergaard under Resolution 11 is subject to the Company executing an agreement with a third-party customer which has a contract value of in excess of \$1,500,000, and the Company receiving a minimum of \$1,000,000 in cash receipts under that contract on or before 31 August 2019 (**Ostergaard Condition**).

### 9.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.14

Chapter 2E of the Corporations Act requires that 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 grant of the Options constitutes giving a financial benefit and Messrs Everist, Edwards and Ostergaard are related parties of the Company by virtue of being Directors.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

As it is proposed that Options be issued to all of the Directors, the Directors have been unable to form quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act or ASX Listing Rule 10.15 applies to these issues. Accordingly, Shareholder approval is sought for the issue of Options to the Related Parties.

### **9.3 Technical information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.15**

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of the Options:

- (a) the related parties are Messrs Everist, Edwards and Ostergaard and they are related parties by virtue of being Directors;
- (b) the maximum number of Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is 58,000,000 Options comprising:
  - (i) an aggregate of 9,000,000 Options to Mr Everist pursuant to Resolution 9 (being 5,000,000 NOROA Options and 4,000,000 ZEPOs); and
  - (ii) an aggregate of 9,000,000 Options to Mr Edwards pursuant to Resolution 10 (being 5,000,000 NOROA Options and 4,000,000 ZEPOs);
  - (iii) 40,000,000 NOROA Options to Mr Ostergaard pursuant to Resolution 11;
- (c) the Options will be granted for nil cash consideration; accordingly no funds will be raised;
- (d) the Option Plan was adopted by Shareholders on 28 November 2017. The following Options have been issued under the Option Plan:
  - (i) 1,250,000 ZEPO's to Mr Michael Edwards on or about 15 December 2017 (vesting after a period of 12 months, expiring on 15 December 2019);
  - (ii) 1,250,000 ZEPO's to Mr Giles Everist on or about 15 December 2017 (vesting after a period of 12 months, expiring on 15 December 2019);



- (iii) 1,687,500 ZEPO's to Mr Amit Pau on or about 15 December 2017 (vesting after a period of 12 months, expiring on 15 December 2019); and
  - (iv) 2,500,000 Options to Mr Paul Ostergaard on or about 15 December 2017 (with an exercise price of \$0.023 each, exercisable on or before 15 December 2020);
  - (v) 2,500,000 Options to Mr Paul Ostergaard on or about 15 December 2017 (with an exercise price of \$0.028 each, exercisable on or before 15 December 2020);
  - (vi) 4,000,000 ZEPO's to Mr Michael Edwards on or about 14 December 2018 (vesting after a period of 12 months, expiring on 14 December 2020); and
  - (vii) 4,000,000 ZEPO's to Mr Giles Everist on or about 14 December 2018 (vesting after a period of 12 months, expiring on 14 December 2020);
- (e) any full or part time employee or director (including Messrs Everist, Edwards and Ostergaard) of the Company is entitled to participate in the Option Plan;
  - (f) no loan will be provided to the Related Parties with respect to the Options;
  - (g) the Options will be issued to the Related Parties no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Options will be issued to Mr Everist and Mr Edwards on the same date. It is noted that the issue of the Options to Mr Ostergaard is subject to the fulfilment of the Ostergaard Condition;
  - (h) the terms of the Options are in accordance with the Option Plan, subject to the key terms and conditions of the NOROA Options summarised in Schedule 1 and the key terms and conditions of the ZEPO's summarised in Schedule 2;
  - (i) the value of the Options is set out in Schedule 3;
  - (j) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares <sup>1</sup>	Options
Mr Giles Everist	1,250,000	4,000,000 <sup>2</sup>
Mr Mike Edwards	6,150,770	4,000,000 <sup>2</sup>
Mr Paul Ostergaard	201,723,481	24,000,000

**Notes:**

<sup>1</sup> Fully paid ordinary shares in the capital of the Company (ASX: NOR).

<sup>2</sup> Unquoted ZEPO's expiring on 14 December 2020.

- (k) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Financial Year ending 30 June 2020 <sup>1</sup>	Financial Year ended 30 June 2019
Mr Giles Everist	\$68,075 <sup>2</sup>	\$56,671 <sup>4</sup>
Mr Michael Edwards	\$68,075 <sup>2</sup>	\$56,671 <sup>4</sup>
Mr Paul Ostergaard	\$429,763 <sup>3</sup>	\$295,230 <sup>5</sup>

**Notes:**

1. The proposed annual remuneration set out above does not include the cost of any options or other incentive securities that may be issued in the future.
2. Consists of directors' fees of \$45,000 and a share-based payment of \$23,075 in respect of proposed options for Mr Edwards, and directors' fees of \$41,096, a superannuation payment of \$3,904 and a share-based payment of \$23,075 in respect of proposed options for Mr Everist.
3. Consists of a base salary payment of \$216,000, a superannuation payment of \$20,520, a share-based payment in respect of the proposed options of \$56,596 and a share based in respect of the proposed loan for shares for \$136,647 for Mr Ostergaard.
4. Consists of a base salary payment of \$269,616 and a superannuation payment of \$25,614 for Mr Ostergaard. As per ASX announcement 20 March 2019, Norwood's CEO and Managing Director Paul Ostergaard agreed to take an immediate \$50,000 reduction in salary on an annualised basis, pro-rata'd daily for one (1) year from the date of the Placement or until a material licensing deal is announced, whichever occurs earlier.

- (l) if the Ostergaard Condition is satisfied and the Options granted to the Related Parties are exercised, a total of 58,000,000 Shares would be issued. This will increase the number of Shares on issue from 2,076,510,283 (being the total number of Shares on issue as at the date of this Notice) to 2,134,510,283 (assuming that no Shares including those for which approvals are sought under this Notice are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 2.72%, comprising 0.42% by Mr Giles Everist, 0.42% by Mr Michael Edwards and 1.87% by Mr Paul Ostergaard;
- (m) the highest, lowest and last market sale prices of the Shares on ASX during the twelve months immediately preceding the date of this Notice and the most recent dates of those sales were:

	Price	Date
Highest	\$0.009	13 August 2018
Lowest	\$0.002	30 April 2019
Last	\$0.004	24 July 2019

- (n) the Board acknowledges the grant of Options to Messrs Everist and Edwards is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations with 2014 Amendments (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Options to Messrs Everist and Edwards reasonable in the circumstances for the reason set out in paragraph (p);
- (o) the primary purpose of the grant of the Options to the Related Parties is to provide a performance linked incentive component in the

remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors;

- (p) Mr Giles Everist declines to make a recommendation to Shareholders in relation to the Resolution 9 due to his material personal interest in the outcome of Resolution 9 on the basis that Mr Everist (or his nominee) is to be granted Options should the Resolution be passed. However, in respect of the Resolutions 10 and 11, Mr Everist recommends that Shareholders vote in favour of those Resolutions for the following reasons:
- (i) the grant of Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
  - (ii) the grant of the Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit 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; and
  - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Options upon the terms proposed;
- (q) Mr Michael Edwards declines to make a recommendation to Shareholders in relation to Resolution 10 due to his material personal interest in the outcome of the Resolution on the basis that Mr Edwards (or his nominee) is to be granted Option in the Company should Resolution 10 be passed. However, in respect of Resolutions 9 and 11, Mr Edwards recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (p);
- (r) Mr Paul Ostergaard declines to make a recommendation to Shareholders in relation to Resolution 11 due to his material personal interest in the outcome of the Resolution on the basis that Mr Ostergaard (or his nominee) is to be granted Options in the Company should Resolution 11 be passed. However, in respect of Resolutions 9 and 10, Mr Ostergaard recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (p);
- (s) in forming their recommendations, each Director considered the experience of each other Director, the current market price of Shares, the current market practices when determining the number of Options to be granted as well as the exercise price and expiry date of those Options; and
- (t) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 9 to 11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.15. Accordingly, the issue of Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **10. RESOLUTION 12 – APPROVAL OF EMPLOYEE SHARE PLAN**

Resolution 12 seeks Shareholders approval for the adoption of the employee incentive scheme titled Employee Share Plan (**Share Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 12 is passed, the Company will be able to issue Shares under the Share Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no Shares have previously been issued under the Share Plan. However, Options have previously been issued under the Option Plan, details of which are set out in Section 9.3(d).

The objective of the Share Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Share Plan and the future issue of Shares under the Share Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

A material feature of the Share Plan is the issue of Shares pursuant to the Share Plan may be undertaken by way of provision of a non-recourse, interest free loan to be used for the purposes of subscribing for the Shares based on a price that will be not less than the volume weighted average price at which Shares were traded on the ASX over the 10 trading days up to and including the date of acceptance of the offer.

Any future issues of Shares under the Share Plan to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time. For this reason, the Company is also seeking approval under Resolution 13 for the issue of Shares to Paul Ostergaard pursuant to the Share Plan.

A summary of the key terms and conditions of the Share Plan is set out in Schedule 4. In addition, a copy of the Share Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Share Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

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## **11. RESOLUTION 13 – ISSUE OF DIRECTOR INCENTIVE SHARES AND APPROVAL OF LOANS TO RELATED PARTY**

### **11.1 General**

The Company has agreed, subject to obtaining Shareholder approval and to the adoption of the Share Plan (refer Resolution 12), to the provision of a non-recourse

loan (**Loan**) to Mr Paul Ostergaard pursuant to the Share Plan for the purpose of subscribing for 40,000,000 Shares on the terms and conditions set out below (**Loan Shares**).

It is noted that the Loan will only be advanced and the Loan Shares will only be issued in the event that the Company executes an agreement with a third-party customer which has a contract value of in excess of \$1,500,000, and the Company receives a minimum of \$1,000,000 in cash receipts under that contract on or before 31 August 2019 (**Ostergaard Condition**).

## 11.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.14

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.14 is set out in Section 9.2 above.

The provision of the Loan to Mr Paul Ostergaard requires the Company to obtain Shareholder approval because:

- (a) the non-recourse loan to acquire the Shares constitute giving a financial benefit; and
- (b) as a Director, Mr Paul Ostergaard is a related party of the Company.

The Directors (other than Mr Ostergaard who has a material personal interest in Resolution 13) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the provision of the Loan to the Mr Ostergaard for the purpose of acquiring the Loan Shares because the agreement for the provision of the Loan, reached as part of the remuneration package for each of Mr Ostergaard, is considered reasonable remuneration in the circumstances and were negotiated on an arm's length basis.

## 11.3 Technical information required by ASX Listing Rule 10.14

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Shares to the Mr Paul Ostergaard:

- (a) Mr Paul Ostergaard is a related party by virtue of being a Director;
- (b) the maximum amount of the Loan (being the nature of the financial benefit) to be provided to the Mr Paul Ostergaard (or their nominees) will be \$120,000;
- (c) the maximum number of Shares to be issued Mr Paul Ostergaard (or his nominee) is 40,000,000 Shares;
- (d) the issue price of the Shares will be \$0.003 per Share, being the most recent capital raising price;
- (e) no funds will be raised from the issue of the Shares as there will be no change to the Company's cash position (i.e. the Loan made by the Company will be used to subscribe for the Shares to be issued to Mr Paul Ostergaard). Amounts repaid to the Company by Mr Paul Ostergaard in the future in satisfaction of the Loan will be used by the Company for general working capital purposes;
- (f) no Shares have previously been issued under the Share Plan nor has the Share Plan previously been adopted by Shareholders. As noted in Section

9.3(d) above, the Company has previously issued Options under the Option Plan;

- (g) all Directors are entitled to participate in the Share Plan, however, at the current time the Company does not intend to make an offer to any Directors other than Mr Paul Ostergaard;
- (h) the Loan will be provided on the following key terms and otherwise subject to the terms and conditions of the Share Plan, a summary of which is set out in Schedule 4:
  - (i) **(non-recourse)**: the Loan is secured against the Shares but Mr Paul Ostergaard is not personally liable for the Loan. In other words, in the event the Shares are sold to repay the Loan but the sale proceeds are insufficient to cover the amount of the Loan which is outstanding the Company cannot recover the remaining amount from Mr Paul Ostergaard. Conversely, where the sale proceeds are greater than the amount of the Loan the Company will not receive any additional repayment as Mr Paul Ostergaard is entitled to the surplus proceeds;
  - (ii) **(interest)**: the Loan will be interest free unless otherwise agreed; and
  - (iii) **(term)**: five years from the date of issue of the Shares subject to earlier repayment in accordance with the terms of the Share Plan (e.g. ceasing to be an employee of the Company, an event of insolvency);
- (i) the value of the Loan is \$136,467 using the Black & Scholes valuation methodology and based on the following assumptions:
  - (i) a valuation date of 25 June 2019;
  - (ii) a deemed issue price of \$0.003 per Share and corresponding Loan principal of \$120,000;
  - (iii) a current market price of \$0.004 per Share. Shareholders should also note that the market price of Shares during the term of the Loan will affect the value of the financial benefit provided to Mr Paul Ostergaard;
  - (iv) a risk free interest rate of 1.95% per annum;
  - (v) a Loan term of five years. Shareholders should note that the actual term of the Loan may be shorter (e.g. where Mr Paul Ostergaard ceases to be an employee of the Company, an event of insolvency occurs in respect of Mr Paul Ostergaard, or, Mr Paul Ostergaard elects to repay the Loan early). The actual term of the Loan will affect the value of the financial benefit provided to Mr Paul Ostergaard; and
  - (vi) a Share price volatility of 120%.
- (j) the Shares will be issued to Mr Paul Ostergaard no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date;

- (k) the Shares issued to Mr Paul Ostergaard will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares other than being subject to a holding lock until such time as the respective Loan has been extinguished or repaid under the terms of the Share Plan or 12 months from the date of issue of the Shares, whichever is the greater;
- (l) the relevant interest of Mr Paul Ostergaard in securities of the Company as at the date of this Notice are set out in Section 9.3(j);
- (m) the amounts paid from the Company to Mr Paul Ostergaard and his associates for the previous two financial years are set out in Section 9.3(k);
- (n) if the maximum number of Shares are issued to Mr Paul Ostergaard, a total of 40,000,000 Shares would be issued. This will increase the number of Shares on issue from 2,076,510,283 to 2,116,510,283 (assuming that no Options are exercised and no other Shares including those for which approvals are sought under this Notice are issued) with the effect that the shareholding of existing Shareholders would be diluted by 1.87%;
- (o) the highest, lowest and last market sale prices of the Shares on ASX during the 12 months prior to this Notice are set out in Section 9.3(m);
- (p) the primary purpose of the provision of the Loan to Mr Paul Ostergaard is to enable Mr Paul Ostergaard to subscribe for Shares;
- (q) Mr Giles Everist recommends that Shareholders vote in favour of Resolution 13 for the following reasons:
  - (i) the use of the Loan by Mr Paul Ostergaard to subscribe for Shares will align the interests of Mr Paul Ostergaard with those of Shareholders by creating a stronger link between performance resulting in increased Shareholder value and reward to Mr Paul Ostergaard. Mr Paul Ostergaard will have a greater involvement with, and share in, any future growth and profitability of the Company; and
  - (ii) the provision of the Loan is a reasonable and appropriate method to provide benefits to Mr Paul Ostergaard as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash benefits were given to Mr Paul Ostergaard;
- (r) Mr Michael Edwards recommends that Shareholders vote in favour of Resolution 13 for the reasons set out in paragraph (q);
- (s) Mr Paul Ostergaard declines to make a recommendation to Shareholders in relation to Resolution 13 due to his material personal interest in the outcome of the Resolution;
- (t) the Directors consider that in providing the Loan to Mr Paul Ostergaard upon the terms proposed the following opportunity cost to the Company and benefits foregone by the Company may occur:
  - (i) no interest is payable on the Loan; and

- (ii) the Loan is non-recourse which means the full amount of the Loan may not be recovered where the Shares are sold for less than the amount outstanding on the Loan. In addition, where the sale proceeds are greater than the amount of the Loan the Company will not receive any additional repayment as Mr Paul Ostergaard is entitled to the surplus proceeds;
- (u) in forming their recommendations, each Director considered the experience of Mr Paul Ostergaard, the existing and proposed contribution of Mr Paul Ostergaard to the Company and the current market practices when determining the provision of the Loan upon the terms proposed; and
- (v) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 13.

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## **12. RESOLUTION 14 – ISSUE OF SHARES AND OPTIONS**

### **12.1 General**

As set out in Section 1.1, the Company has engaged Grange to provide corporate advisory services. Resolution 14 seeks Shareholder approval for the issue of 8,000,000 Shares and 5,000,000 NOROA Options in consideration for the provision of those services in April, March and May 2019.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 14 will be to allow the Company to issue the Shares and Options pursuant to this resolution during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **12.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 14:

- (i) the maximum number of Securities to be issued is 8,000,000 Shares and 5,000,000 NOROA Options;
- (ii) the Shares and NOROA Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares and NOROA Options will occur on the same date;
- (iii) the Shares and NOROA Options will be issued in consideration for services provided;
- (iv) the Shares and Options will be issued to Grange, who is not a related party of the Company;
- (v) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (vi) the Options will be issued on the terms and conditions set out in Schedule 1; and



- (vii) no funds will be raised from the issue as the Shares and Options are being issued for nil cash consideration.

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## **13. RESOLUTION 15 – ISSUE OF OPTIONS**

### **13.1 General**

Resolution 15 seeks Shareholder approval for the issue of 9,000,000 Options to Steven Wood (or his nominee) in consideration for his services as company secretary.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 15 will be to allow the Company to issue the Options pursuant to this Resolution during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **13.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 15:

- (i) the maximum number of Options to be issued is 9,000,000, comprising of 5,000,000 NOROA Options and 4,000,000 ZEPO's;
- (ii) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (iii) the Options will be issued in consideration for the services of company secretary as provided by Steven Wood;
- (iv) the Options will be issued to Steven Wood (or his nominee), who is not a related party of the Company;
- (v) the NOROA Options will be issued on the terms and conditions set out in Schedule 1 and the ZEPO's will be issued on the terms and conditions set out in Schedule 2; and
- (vi) no funds will be raised from the issue as the Options are being issued for nil cash consideration.

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## GLOSSARY

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**\$** means Australian dollars.

**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.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

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

**Chair** means the chair of the Meeting.

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

**Constitution** means the Company's constitution.

**Convertible Note** has the meaning given in Section 8.

**Convertible Note Securities** has the meaning given in Section 8.

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

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Fee Options** has the meaning given in Section 2.

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

**Noteholder** has the meaning given in Section 8.

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

**Offer** has the meaning given in Section 6.1.

**Option** means an option to acquire a Share.

**Pinnacle** has the meaning given in Section 6.1.

**Placement** has the meaning given in Section 2.

**Placement Options** has the meaning given in Section 2.

**Placement Shares** has the meaning given in Section 2.

**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.

**Securities** means a Share or an Option.

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

**Shareholder** means a registered holder of a Share.

**Underwriter Options** has the meaning given in Section 6.1.

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

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## SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

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(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.008 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 October 2020 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

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

Within 15 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 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 Options.

If a notice delivered under (g)(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.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(m) **Quotation**

The Company will seek to have the Options quoted by ASX.

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## SCHEDULE 2 – TERMS AND CONDITIONS OF THE ZEPO'S

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(a) **Entitlement**

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

(b) **Exercise Price**

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

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is two (2) years from the date of issue of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Vesting Conditions**

The Options shall automatically vest twelve (12) months from the date of issue of the Options.

(e) **Exercise Period**

Subject to satisfaction of the vesting conditions at clause (d), the Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(f) **Notice of Exercise**

The Options may be exercised during the Exercise Period at the discretion of the Option holder by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**).

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise (Exercise Date).

(h) **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 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 Options.

If a notice delivered under (f)(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.

(i) **Shares issued on exercise**

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

(j) **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.

(k) **Participation in new issues**

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

(l) **Change in exercise price**

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

(m) **Transfer of ZEPO's**

The ZEPO's are non-transferrable.

(n) **Subdivision 83AC**

Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies to the ZEPO's.

(o) **Plan**

The terms of the ZEPO's are supplemented by the terms of the Incentive Option Plan.

### SCHEDULE 3 – VALUATION OF OPTIONS

The Options to be issued to the Related Parties pursuant to Resolutions 9, 10 and 11 have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Options were ascribed the following value:

Assumptions	NOROA	ZEPO's
Valuation date	25 June 2019	25 June 2019
Market price of Shares	\$0.004	\$0.004
Exercise price	\$0.008	Nil
Expiry date (length of time from issue)	31 October 2020	25 June 2021
Risk free interest rate	1.95%	1.95%
Volatility (discount)	120%	120%
<b>Indicative value per Option</b>	\$0.0014	\$0.004
<b>Total Value of Options</b>	\$70,745	\$32,000
• Paul Ostergaard (40 million)	\$56,596	-
• Mike Edwards (5 million/4 million)	\$7,075	\$16,000
• Giles Everist (5 million/4 million)	\$7,075	\$16,000

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



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## SCHEDULE 4 – SUMMARY OF EMPLOYEE SHARE PLAN

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The key terms of the Employee Share Plan (**Share Plan**) are as follows:

- (a) **Eligibility:** Participants in the Share Plan may be Directors, full-time and part-time employees of the Company or any of its subsidiaries (**Participants**).
- (b) **Administration of Share Plan:** The Board is responsible for the operation of the Share Plan and has a broad discretion to determine which Participants will be offered Shares under the Share Plan.
- (c) **Offer:** The Board may issue an offer to a Participant to participate in the Share Plan. The offer:
  - (i) will invite application for the number of Shares specified in the offer;
  - (ii) will specify the issue price for the Shares or the manner in which the Issue Price is to be calculated;
  - (iii) may invite applications for a loan up to the amount payable in respect of the Shares accepted by the Participant in accordance with the offer;
  - (iv) will specify any restriction conditions applying to the Shares;
  - (v) will specify an acceptance period; and
  - (vi) specify any other terms and conditions attaching to the Shares.
- (d) **Issue price:** the issue price of each Share will be not less the volume weighted average price at which Shares were traded on the ASX over the 10 trading days up to and including the actual date of acceptance of the Shares offered under the Offer.
- (e) **Restriction Conditions:** Shares may be subject to restriction conditions (such as a period of employment) which must be satisfied before the Shares can be sold, transferred, or encumbered. Shares cannot be sold, transferred or encumbered until any loan in relation to the Shares has been repaid or otherwise discharged under the Share Plan.
- (f) **Loan:** A Participant who is invited to subscribe for Shares may also be invited to apply for a loan up to the amount payable in respect of the Shares accepted by the Participant (**Loan**), on the following terms:
  - (i) interest payable on the Loan shall be determined by the Board and set out in the Offer;
  - (ii) the Loan made available to a Participant shall be applied by the Company directly toward payment of the issue price of the Shares;
  - (iii) the Loan repayment date and the manner for making such payments shall be determined by the Board and set out in the offer;
  - (iv) a Participant must repay the Loan in full by the loan repayment date but may elect to repay the Loan amount in respect of any or all of the Shares at any time prior to the loan repayment date;

- (v) the Company shall have a lien over the Shares in respect of which a Loan is outstanding and the Company shall be entitled to sell those Shares in accordance with the terms of the Share Plan;
  - (vi) a Loan will be non-recourse except against the Shares held by the Participant to which the Loan relates; and
  - (vii) the Board may, in its absolute discretion, agree to forgive a Loan made to a Participant.
- (g) **Unfulfilled Restriction Condition:** Where a restriction condition in relation to Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Company must, unless the restriction condition is waived by the Board, either:
- (i) buy back and cancel the relevant Shares within 12 months of the date the restriction condition was not satisfied (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act at a price equal to the cash consideration paid by the Participant for the Plan Shares (with any Loan not being treated as cash consideration but any Loan Amount repayments by the Participant being treated as cash consideration); or
  - (ii) arrange to sell the Shares as soon as reasonably practicable either on the ASX or to an investor who falls within an exemption under section 708 of the Corporations Act provided that the sale must be at a price that is no less than 80% of the volume weighted average price at which Shares were traded on the ASX on the 10 trading days before the sale date and apply the sale proceeds (**Sale Proceeds**) in the following priority:
    - (A) first, to pay the Company any outstanding Loan Amount (if any) in relation to the Shares and the Company's reasonable costs in selling the Shares;
    - (B) second, to the extent the Sale Proceeds are sufficient, to repay the Participant any cash consideration paid by the Participant or Loan Amount repayments (including any cash dividends applied to the Loan Amount) made by or on behalf of the Participant; and
    - (C) lastly, any remainder to the Company to cover its costs of managing the Share Plan.
- (h) **Sale of Shares to repay Loan:**
- (i) A Loan shall become repayable in full where:
    - (A) the Participant (or, where the Participant is an Associate of an Eligible Employee, the Eligible Employee) ceases to be an Eligible Employee for any reason (including death);
    - (B) the Participant suffers an event of insolvency;
    - (C) the Participant breaches any condition of the Loan or the Share Plan; or
    - (D) a Restriction Condition in relation to Shares subject to the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board (and is not waived).

- (ii) Where a Loan becomes repayable and at that time a Restriction Condition in relation to Shares subject to the Loan is not satisfied, or is incapable of being satisfied in the opinion of the Board (and is not waived), the Shares must be sold and the Sale Proceeds applied to repay the Loan in accordance the Share Plan.
  - (iii) Where a Loan in relation to Shares becomes repayable and at that time Restriction Conditions in relation to the Shares have either been satisfied or are waived, the Company must give the Participant a 30 day period to repay the Loan, failing which the Company must sell the Shares and apply the Sale Proceeds in accordance with the Share Plan.
- (i) **Power of Attorney:** The Participant irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the sale of the Participant's Shares in accordance with the Share Plan.
- (j) **Share Plan limit:** The Company must take reasonable steps to ensure that the number of Shares offered by the Company under the Share Plan when aggregated with:
- (i) the number of Shares issued during the previous 5 years under the Share Plan (or any other employee share plan extended only to Eligible Employees); and
  - (ii) the number of Shares that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any employee incentive scheme of the Company were to be exercised or accepted,
- does not exceed 5% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with relevant ASIC Class Orders).
- (k) **Restriction on transfer:** Participants may not sell or otherwise deal with a Share Plan Share until the Loan Amount in respect of that Plan Share has been repaid and any restriction conditions in relation to the Shares have been satisfied or waived. The Company is authorised to impose a holding lock on the Shares to implement this restriction.
- (l) **Quotation on ASX:** The Company will apply for each Plan Share to be admitted to trading on ASX upon issue of the Plan Share. Quotation will be subject to the ASX Listing Rules and any holding lock applying to the Shares.
- (m) **Rights attaching to Shares:** Each Plan Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Share Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

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## LODGE YOUR VOTE



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



### BY MAIL

Norwood Systems Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND

Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138



### ALL ENQUIRIES TO

Telephone: +61 1300 554 474

## LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **2:00pm (WST) on Sunday, 25 August 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the 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. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

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

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF 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 the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second 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.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach 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 also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

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

NAME SURNAME  
 ADDRESS LINE 1  
 ADDRESS LINE 2  
 ADDRESS LINE 3  
 ADDRESS LINE 4  
 ADDRESS LINE 5  
 ADDRESS LINE 6



X99999999999

## PROXY FORM

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

### APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act 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 the law, as the proxy sees fit) at the General Meeting of the Company to be held at **2:00pm (WST) on Tuesday, 27 August 2019 at The University Club, Hackett Drive, Crawley WA 6009 (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolutions 9, 10, 11, 12 and 13:** Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 9, 10, 11, 12 and 13 (except where I/we have indicated a different voting intention below) even though Resolutions 9, 10, 11, 12 and 13 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

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

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Issue of Options to Mr Giles Everist	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of Prior Issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Issue of Options to Mr Michael Edwards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Issue of Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Issue of Options to Mr Paul Ostergaard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Fee Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Adoption of Employee Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of Underwriter Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13 Issue of Director Incentive Shares and Approval of Loan to Mr Paul Ostergaard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Ratification of Prior Issue – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14 Issue of Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Ratification of Prior Issue – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15 Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Ratification of Issue of Shares and Options on Conversion of Convertible Note	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



\* If you mark the Abstain box for a particular Item, 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.

STEP 2

### 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

STEP 3

This form should be signed by the shareholder. If a joint holding, either shareholder may 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).

NOR PRX1901B

