

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Norwood Systems Limited

ACN

062 959 540

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |                            |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued   | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 2,000,000                  |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

4	<p>Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes, share issued rank equally with existing fully paid ordinary shares.</p>
5	Issue price or consideration	<p>Non cash – agreed quantum of shares issued in respect of advisory services provided to company.</p>
6	<p>Purpose of the issue</p> <p>(If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issued as consideration for services provided.</p>
6a	<p>Is the entity an <sup>+</sup>eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the <sup>+</sup>securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
6b	The date the security holder resolution under rule 7.1A was passed	<p>30 November 2016</p>
6c	Number of <sup>+</sup> securities issued without security holder approval under rule 7.1	<p>2,000,000</p>
6d	Number of <sup>+</sup> securities issued with security holder approval under rule 7.1A	<p>Nil</p>
6e	Number of <sup>+</sup> securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	<p>Nil</p>

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<sup>+</sup> See chapter 19 for defined terms.

6f	Number of securities issued under an exception in rule 7.2	Nil	
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity’s remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Rule 7.1 – 80,399,036 Rule 7.1A – NIL	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	14 December 2016	
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number 970,779,576	Class Ordinary shares  [218,654,678 ordinary shares remaining are subject to escrow]

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	78,869,761	Unlisted class A performance shares
		78,869,761	Unlisted class B performance shares
		2,000,000	Unlisted performance shares
		3,927,774	Unlisted class A performance rights
		3,927,774	Unlisted class B performance rights
		16,970,401	Unlisted options, exercisable at \$0.02 to 9 June 2018
		9,500,000	Unlisted options, exercise price \$0.198, expiring 27 November 2020 with a restriction on disposal until 27 November 2017
		9,500,000	Unlisted options, exercise price \$0.297, expiring 27 November 2020 with a restriction on disposal until 27 November 2017
		6,000,000	Unlisted options, exercise price \$0.173 and expiring 27 November 2018
		10,000,000	Unlisted options exercise price \$0.135, expiring 27 November 2020, vesting on 27 November 2018 with a restriction on disposal until 19 April 2017
		25,336,111	Unlisted options, exercise price of \$0.02, expiring 27 November 2018 and vesting on 16 June 2017
		10,167,973	Unlisted options, exercise price of \$0.02 and expiring 27 November 2018
		500,000	Unlisted options, exercise price of \$0.02 and expiring 27 November 2018
		2,000,000	Unlisted options, exercise price of \$0.107 and expiring 29 December 2018
		33,333,333	Unlisted options, exercise price of \$0.055 and expiring 15 July 2018
		6,400,000	Unlisted options, exercise price of \$0.057 and expiring 2 August 2021 (vesting 25% upon each 12 months of continued employment on the anniversary of the issue date)
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

+ See chapter 19 for defined terms.

## Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the <sup>+</sup> securities will be offered	N/A
14	<sup>+</sup> Class of <sup>+</sup> securities to which the offer relates	N/A
15	<sup>+</sup> Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A

25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	N/A

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

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+ See chapter 19 for defined terms.

## Entities that have ticked box 34(a)

### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

## Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?
- If the additional securities do not rank equally, please state:
- the date from which they do
  - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
  - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
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<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>					
<p>42 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (<i>including</i> the securities in clause 38)</p>	<table border="1"> <thead> <tr> <th data-bbox="718 477 1021 521">Number</th> <th data-bbox="1021 477 1316 521"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="718 521 1021 701"></td> <td data-bbox="1021 521 1316 701"></td> </tr> </tbody> </table>	Number	<sup>+</sup> Class		
Number	<sup>+</sup> Class				

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<sup>+</sup> See chapter 19 for defined terms.



## Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: ..... Date: 14 December 2016  
(Company Secretary)

Print name: Steven Wood

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+ See chapter 19 for defined terms.

# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

### Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	844,859,598
<b>Add</b> the following: <ul style="list-style-type: none"> <li>Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>Number of fully paid ordinary securities issued in that 12 month period with shareholder approval</li> <li>Number of partly paid ordinary securities that became fully paid in that 12 month period</li> </ul> <b>Note:</b> <ul style="list-style-type: none"> <li>Include only ordinary securities here – other classes of equity securities cannot be added</li> <li>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</li> <li>It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	29/12/2015 – Shareholder approved SPP – 18,749,958  29/12/2015 – Shareholder approved allotment for services provided – 4,000,000
<b>Subtract</b> the number of fully paid ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	867,609,556

+ See chapter 19 for defined terms.

<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	130,141,433
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<b>Insert</b> number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> <li>Under an exception in rule 7.2</li> <li>Under rule 7.1A</li> <li>With security holder approval under rule 7.1 or rule 7.4</li> </ul> <b>Note:</b> <ul style="list-style-type: none"> <li><i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li><i>Include here (if applicable ) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li><i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	15/06/16 – placement shares – 13,239,044 15/06/16 – Consideration shares for services provided – 1,170,000 21/6/16 – placement unlisted options – 33,333,333 21/6/16 – prospectus cleansing shares - 20 13/12/16 – Consideration shares for services provided – 2,000,000
<b>“C”</b>	49,742,397
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<b>“A” x 0.15</b> <i>Note: number must be same as shown in Step 2</i>	130,141,433
<b>Subtract “C”</b> <i>Note: number must be same as shown in Step 3</i>	49,742,397
<b>Total [“A” x 0.15] – “C”</b>	80,399,036 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b> <i>Note: number must be same as shown in Step 1 of Part 1</i>	867,609,556
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10 <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	86,760,956
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	15/6/16 – Placement - 86,760,956
<b>“E”</b>	86,760,956

+ See chapter 19 for defined terms.

<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
<b>“A” x 0.10</b> <i>Note: number must be same as shown in Step 2</i>	86,760,956
<b>Subtract “E”</b> <i>Note: number must be same as shown in Step 3</i>	86,760,956
<b>Total</b> [“A” x 0.10] – “E”	Nil <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.

**ASX ANNOUNCEMENT**

14 December 2016

The Manager  
Company Announcements Office  
ASX Limited  
Level 6, 20 Bridge Street  
SYDNEY NSW 2000

**NOTICE UNDER SECTION 708A(5)(e) OF THE CORPORATIONS ACT**

On 14 December 2016, Norwood Systems Limited (**Company**) completed the issue and allotment of 2,000,000 fully paid ordinary shares in the capital of the Company as non-cash consideration for advisory services provided to the Company (**Shares**).

The Company gives notice pursuant to section 708A(5)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**) that:

1. the Company issued the Shares without disclosure under Part 6D.2 of the Corporations Act; and
2. as at the date of this notice, the Company has complied with:
  - (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
  - (b) section 674 of the Corporations Act; and
3. as at the date of this notice, there is no information to be disclosed which is excluded information (as defined in section 708A(7) of the Corporations Act) that is reasonable for investors and their professional advisers to expect to find in a disclosure document.

**For Norwood Systems Limited**  
**Steven Wood**  
**Company Secretary**

<ENDS>

<b>Company:</b> <b>Paul Ostergaard</b> , CEO & Founder <b>Office:</b> +61 8 9200 3500 <b>Web:</b> <a href="http://www.norwoodsystems.com">www.norwoodsystems.com</a> <b>Twitter:</b> @norwoodsystems, @paulostergaard	<b>Investor Relations:</b> <b>Shane Murphy</b> , FTI Consulting <b>Office:</b> +61 9485 8888 <b>email:</b> <a href="mailto:shane.murphy@fticonsulting.com">shane.murphy@fticonsulting.com</a> <b>Mobile:</b> +61 420 945 291 <b>Twitter:</b> @ShaneWMurphy	<b>Media:</b> <b>David Tasker</b> , Professional Public Relations <b>Mobile:</b> +61 433 112 936 <b>email:</b> <a href="mailto:david.tasker@ppr.com.au">david.tasker@ppr.com.au</a>
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