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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:** 3pm (AWST)  
**DATE:** Wednesday, 26<sup>th</sup> October 2022  
**PLACE:** 110 Stirling Highway  
Nedlands, Western 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 5pm (AWST) on 24<sup>th</sup> October 2022.***

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## **BUSINESS OF THE MEETING**

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### **AGENDA**

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#### **1. RESOLUTION 1 – ISSUE OF SHARES AND OPTIONS TO RELATED PARTY – DR JOHN TARRANT**

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

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 32,000,000 Shares and 32,000,000 Options to Dr John Tarrant (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

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

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#### **2. RESOLUTION 2 – ISSUE OF SHARES TO RELATED PARTY – DR JOHN TARRANT**

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

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,686,567 Shares to Dr John Tarrant (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

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

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#### **3. RESOLUTION 3 – ISSUE OF INCENTIVE OPTIONS TO RELATED PARTY – PHILIP OTLEY**

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

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 10,000,000 Incentive Options to Philip Otley (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

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

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#### **4. RESOLUTION 4 – ISSUE OF INCENTIVE OPTIONS TO RELATED PARTY – PHILIP MARSLAND**

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

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 10,000,000 Incentive Options to Philip Marsland (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

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

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**5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1**

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 435,887 Shares on the terms and conditions set out in the Explanatory Statement.”*

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

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**6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1**

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,352,942 Shares on the terms and conditions set out in the Explanatory Statement.”*

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

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**7. RESOLUTION 7 – ADOPTION OF EMPLOYEE SECURITIES INCENTIVE 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 Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Securities Incentive Plan and for the issue of 7,542,709 securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”*

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

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**8. RESOLUTION 8 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY – PAUL OSTERGAARD**

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

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 10,000,000 Performance Rights to Paul Ostergaard (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

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

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

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

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 10,000,000 Incentive Options to Paul Ostergaard (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

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

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**10. RESOLUTION 10 – APPROVAL TO ISSUE OPTIONS TO RELATED PARTY - PAUL OSTERGAAD**

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

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

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

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**11. RESOLUTION 11 – APPROVAL TO ISSUE OPTIONS TO RELATED PARTY – DR JOHN TARRANT**

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

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 14,198,651 Options to Dr John Tarrant (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

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

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**12. RESOLUTION 12 – APPROVAL TO ISSUE OPTIONS TO RELATED PARTY – PHILIP OTLEY**

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

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

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

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**13. RESOLUTION 13 – APPROVAL TO ISSUE OPTIONS TO RELATED PARTY – PHILIP MARSLAND**

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

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

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

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**Dated: 23 September 2022**

**By order of the Board**

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

**Stuart Usher  
Company Secretary**

## Voting Prohibition Statements

<b>Resolution 2 – Issue of Shares to Related Parties</b>	<p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <p>(a) the proxy is either:</p> <p>(i) a member of the Key Management Personnel; or</p> <p>(ii) a Closely Related Party of such a member; and</p> <p>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</p> <p>However, the above prohibition does not apply if:</p> <p>(c) the proxy is the Chair; and</p> <p>(d) 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.</p>
<b>Resolution 3 – Issue of Performance Options to Related Party</b>	
<b>Resolution 4 – Issue of Performance Options to Related Party</b>	
<b>Resolution 7 – Adoption of Securities Incentive Plan</b>	
<b>Resolution 8 – Issue of Performance Rights to Related Party</b>	
<b>Resolution 9 – Issue of Performance Options to Related Party</b>	

## Voting Exclusion Statements

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

<b>Resolution 1 - Issue of Shares and Options to Related Party – Dr John Tarrant</b>	<p>Dr John Tarrant (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.</p>
<b>Resolution 2 – Issue of Shares to Related Party</b>	
<b>Resolution 11 – Issue of Options to Related Party</b>	
<b>Resolution 3 – Issue of Performance Rights to Related Party</b>	<p>Philip Otley (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.</p>
<b>Resolution 12 – Issue of Options to Related Party</b>	
<b>Resolution 5 - Ratification of prior issue of Shares</b>	<p>A person who participated in the issue or is a counterparty to the agreement being approved (namely Grange Consulting Group Pty Ltd) or an associate of that person or those persons.</p>
<b>Resolution 6 – Ratification of prior issue of Shares</b>	<p>A person who participated in the issue or is a counterparty to the agreement being approved (namely the Additional Commitment participants) or an associate of that person or those persons.</p>
<b>Resolution 7 – Adoption of Securities Incentive Plan</b>	<p>A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.</p>
<b>Resolution 8 – Issue of Performance Rights to Related Party</b>	<p>Paul Ostergaard (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.</p>
<b>Resolution 9 – Issue of Performance Options to Related Party</b>	
<b>Resolution 10 – Issue of Options to Related Party</b>	

**Resolution 4 – Issue of Performance Rights to Related Party**

**Resolution 13 – Issue of Options to Related Party**

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

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

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

**Voting by proxy**

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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 two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (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:

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

**Voting in person**

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

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

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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 – ISSUE OF SHARES AND OPTIONS TO RELATED PARTY – DR JOHN TARRANT

#### 1.1 Background

On 27 March 2022 (as varied on 22 June and 30 August 2022), the Company entered into an unsecured convertible note facility (**Convertible Note Facility**) with Balmain Resources Pty Ltd, an entity controlled by Director Dr John Tarrant and completed the issue of 480,000 convertible notes (**Notes**) to the value of \$480,000, the conversion of the Notes into Shares, (together with the free attaching Options) being subject to the receipt of shareholder approval.

Upon the receipt of Shareholder approval, the Company has agreed to issue 32,000,000 Shares, together with one free attaching Option for every Share issued (**Conversion Securities**) to Dr John Tarrant (or his nominee) (**Note Holder**) on the terms and conditions set out below.

Under the Convertible Note Facility, shareholder approval is required on or before 31 October 2022 (**Condition**).

The purpose of raising the funds under the Convertible Note Facility is to support the funding of a more vigorous business development, sales and market outreach for Aida, plus increasing staffing with another one or two development resources, as opportune or needed in the ongoing business development, sales and market outreach for Aida, including R&D, increased operating costs, staff costs, administration and corporate costs, costs of the offer, and general working capital.

This Resolution seeks approval for the Company to issue up to 32,000,000 Shares together with the 32,000,000 free attaching options for every share issued to the Note Holder to convert the 480,000 Notes on issue.

#### 1.2 Chapter 2E of the Corporations Act

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

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

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

As the issue of the Conversion Securities to Dr John Tarrant (or his nominee) constitutes giving a financial benefit and the Note Holder is a related party of the Company by virtue of being a Director, the Directors (other than Dr John Tarrant who has a material personal interest in this Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect



of the issue of the Conversion Securities as the Convertible Note Facility was negotiated on an arm's length basis.

### **1.3 Listing Rule 10.11**

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

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

unless it obtains the approval of its shareholders.

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

This Resolution seeks Shareholder approval for the issue of the Conversion Securities under the Convertible Note Facility under and for the purposes of Listing Rule 10.11.

### **1.4 Technical information required by Listing Rule 14.1A**

If this Resolution is passed, the Company will be able to proceed with the issue of the Conversion Securities to convert the debt under the 480,000 Notes on issue (total face value of \$480,000) and will raise additional funds which will be used in the manner set out in Section 1.1 above. As approval pursuant to Listing Rule 7.1 is not required for the issue of the Conversion Securities in respect of the Notes under the Convertible Note Facility (because approval is being obtained under Listing Rule 10.11), the issue of the Share and Options to the Note Holder will not use up any of the Company's 15% annual placement capacity.

If this Resolution is not passed, the Convertible Note Facility will be at an end and the Notes shall become a debt instrument. Accordingly, the Company will not be able to proceed with the issue of the Conversion Shares to the note holder as required under the Convertible Note Facility and no further funds will be raised in respect of the issue.

### **1.5 Technical information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 1:

- (a) the Conversion Securities will be issued to Dr John Tarrant (or his nominee), who falls within the category set out in Listing Rule 10.11.1, as Dr John Tarrant is a related party of the Company by virtue of being a Director;
- (b) the maximum number of Shares and Options to be issued to Dr John Tarrant (or his nominee) under the Convertible Note Facility is 32,000,000 Shares and 32,000,000 Options, as the Options will be issued free attaching with the Shares on a 1:1 basis;
- (c) the material terms of the Notes are set out in Schedule 1
- (d) 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;
- (e) the Options will be issued on the terms and conditions set out in Schedule 8;
- (f) the Conversion Securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue of the Conversion Securities to the Note Holder will occur on the same date;
- (g) the deemed issue price will be \$0.015 per Conversion Share. The Shares are being issued to the Note Holder to convert the debt under the existing 480,000 Notes on issue (total face value of \$480,000). The Company will not receive any other consideration for the issue of the Conversion Securities;
- (h) the purpose of the issue of the Notes and the conversion of the Shares is for funding purposes as set out in out in Section 1.1;
- (i) the Conversion Shares to be issued are not intended to remunerate or incentivise Dr Tarrant; and
- (j) the Conversion Shares are proposed to be issued to the Note Holder (or his nominee) under the Convertible Note Facility. A summary of the material terms of the Convertible Note Facility, including those which relate to the conversion of the Shares and Options, is set out in Schedule 1.

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## **2. RESOLUTION 2 – ISSUE OF SHARES TO RELATED PARTY – DR JOHN TARRANT**

### **2.1 General**

The Company is seeking to issue these Shares as reasonable remuneration to Dr John Tarrant for his additional services since his appointment on 31 January 2022. During this period, the Director has been involved in the growth of the business of the Company. This has included involvement in:

- (a) working with the CEO on Investor relations and shareholder engagement;
- (b) working with the CEO to develop long-term capital growth strategies; and
- (c) working with executive team on various corporate matters from time to time as required.

The Company considers that the issue of these Shares will also further align the interests of Dr John Tarrant with those of Shareholders.

Accordingly, this Resolution seeks Shareholder approval for issue of an aggregate of 2,686,567 Shares to Dr John Tarrant (or his nominee) on the terms and conditions set out below.

## **2.2 Chapter 2E of the Corporations Act**

A summary of Chapter 2E of the Corporations Act is set out in Section 1.2 above.

The issue of Shares Dr Tarrant constitutes giving a financial benefit and Dr John Tarrant is a related party of the Company by virtue of being a Director.

The Directors (other than Dr John Tarrant) who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Shares to which this Resolution relates because the number of Shares to be issued to Dr Tarrant was determined as reasonable in the circumstances and was negotiated on an arm's length basis.

## **2.3 Listing Rule 10.11**

A summary of Listing Rule 10.11 is set out in Section 1.3 above.

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

This Resolution seeks the required Shareholder approval for the issue of the Shares under and for the purposes of Listing Rule 10.11.

## **2.4 Technical information required by Listing Rule 14.1A**

If this Resolution is passed, the Company will be able to proceed with the issue of the Shares to Dr Tarrant within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares (because approval is being obtained under Listing Rule 10.11), the issue of the Shares will not use up any of the Company's 15% annual placement capacity.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Shares and will have to negotiate a cash payment for services.

## **2.5 Technical Information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to this Resolution:

- (a) the Shares will be issued to Dr John Tarrant (or his nominee), who falls within the category set out in Listing Rule 10.11.1, as Dr John Tarrant is a related party of the Company by virtue of being a Director;
- (b) the maximum number of Shares to be issued to Dr John Tarrant (or his nominee) is 2,686,567;

- (c) 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;
- (d) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Shares will be issued on the same date;
- (e) the issue price of the Shares will be nil. The Company will not receive any other consideration in respect of the issue of the Shares;
- (f) the purpose of the issue of the Shares is to provide a performance linked incentive component in the remuneration package for the related party to align the interests of Dr John Tarrant with those of Shareholders, to motivate and reward the performance of Dr John Tarrant in his role as a Director and to provide a cost effective way for the Company to remunerate Dr John Tarrant, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Dr John Tarrant;
- (g) the Company has agreed to issue the Shares to Dr Tarrant for the reasons summarised in Section 2.1;
- (h) the total remuneration package for Dr John Tarrant for the previous financial year and proposed total remuneration for the current financial year is set out below:

Related Party	Financial Year 2021	Financial Year 2022
Dr John Tarrant	-	\$29,441

**Notes:**

1. Comprising a share based payment of \$29,441 by way of issue of 5,000,000 Unquoted Options exercisable at 2.4 cents expiring 08/02/2025.
- (i) the Shares are being issued under an agreement between the Company and Dr Tarrant dated 27 May 2022 which confirms the appointment of Dr Tarrant as a Director of the Company. Other than the above, the agreement includes general terms that are commonly included in director's appointment letters; and
  - (j) a voting exclusion statements is included in Resolution 2 of the Notice.

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### **3. RESOLUTIONS 3, 4, & 9 – ISSUE OF INCENTIVE OPTIONS TO RELATED PARTIES – PHILIP OTLEY, PHILIP MARSLAND AND PAUL OSTERGAARD**

#### **3.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to issue an aggregate of 30,000,000 Incentive Options (**Incentive Options**) to Philip Otley, Philip Marsland and Paul Ostergaard (or their nominees) (**Related Parties**) and conditions set out below.

Resolutions 3, 4, & 9 seek Shareholder approval for the issue of the Incentive Options to the Related Parties as follows:

- (a) 10,000,000 Incentive Options to Philip Otley (Resolution 3);
- (b) 10,000,000 Incentive Options to Philip Marsland (Resolution 4); and
- (c) 10,000,000 Incentive Options to Paul Ostergaard (Resolution 9).

### **3.2 Chapter 2E of the Corporations Act**

A summary of Chapter 2E of the Corporations Act is set out in Section 1.2 above.

The issue of Incentive Options to the Related Parties (or their nominee) constitutes giving a financial benefit and the Related Parties are related parties of the Company by virtue of being Directors.

The Directors (other than the Related Parties who have a material personal interest in the Resolutions) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Incentive Options because the agreement to issue the Incentive Options, reached as part of the remuneration package for the Related Parties, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

### **3.3 Listing Rule 10.11**

A summary of Listing Rule 10.11 is set out in Section 1.3 above.

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

These Resolutions seek the required Shareholder approval for the issue of the Incentive Options under and for the purposes of Listing Rule 10.11.

### **3.4 Technical information required by Listing Rule 14.1A**

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

If these Resolutions are not passed, the Company will not be able to proceed with the issue of the Incentive Options and may have to negotiate additional cash remuneration.

### **3.5 Technical Information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 3, 4 & 9 :

- (a) the Incentive Options will be issued to the following persons:
  - (i) 10,000,000 Incentive Options to Philip Otley (Resolution 3);
  - (ii) 10,000,000 Incentive Options to Philip Marsland (Resolution 4),

- (iii) 10,000,000 Incentive Options to Paul Ostergaard (Resolution 9);  
and

each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director;

- (b) the maximum number of Incentive Options to be issued to the Related Parties being the nature of the financial benefit proposed to be given) is 30,000,000 comprising:
- (i) 10,000,000 Incentive Options to Philip Otley (or his nominee) pursuant to Resolution 3;
- (ii) 10,000,000 Incentive Options to Philip Marsland (or his nominee) pursuant to Resolution 4;
- (iii) 10,000,000 Incentive Options to Paul Ostergaard (or his nominee) pursuant to Resolution 9;
- (c) the terms and conditions of the Incentive Options are set out in schedule 2 ;
- (d) the Incentive Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Incentive Options will occur on the same date;
- (e) the issue price of the Incentive Options will be nil. The Company will not receive any other consideration in respect of the issue of the Incentive Options;
- (f) the purpose of the issue of the Incentive Options is to provide a performance linked incentive component in the remuneration package for the Directors to motivate and reward their performance as a Director and to provide cost effective remuneration for the Related Parties, enabling 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 Related Parties;
- (g) the current total remuneration package for the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Financial Year 2021	Financial Year 2022
Philip Otley	\$-	\$28,603 <sup>2,3</sup>
Philip Marsland	\$-	\$28,603 <sup>2,3</sup>
Paul Ostergaard	\$259,598	\$259,598 <sup>1</sup>

**Notes:**

1. Comprising salary of \$235,998, and a superannuation payment of \$23,600.
2. Value of Director options issued on 8 February 2022 based on a Black & Scholes option model.
3. Appointed director on 31 January 2022.

- (h) the Incentive Options to Philip Otley and Philip Marsland are being issued under an agreement between the Company and the respective Related Party dated 27 May 2022 which confirms the appointment of the Related Party as a Director of the Company. Other than the above, the agreement includes general terms that are commonly included in director's appointment letters. The Incentive Options to Paul Ostergaard are not being issued under an agreement;
- (i) The value of the Incentive Options and the pricing methodology is set out in Schedule 4.

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#### **4. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES**

##### **4.1 General**

On 18 March 2022, the Company issued 435,887 Shares at a deemed issue price of \$0.016 per Share in part consideration for the company secretarial and financial services provided by Grange Consulting Group Pty Ltd (ACN 154 869 066) (**Grange**) (**Consultancy Shares**) for the period between August 2021 and October 2021.

The Company entered into an agreement with Grange on 1 October 2018 and as varied on 20 April 2020 (**Mandate**). The material terms of the Mandate in consideration for the services, the Company has agreed to pay a total of \$11,000 per month, comprising of:

- (a) a monthly fee cash amount of \$8,000; and
- (b) subject to Shareholder approval, the issue \$3,000 worth of Shares per month at a 5 trading day volume weighted average price (VWAP) of the Shares trading on the ASX for each months end.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

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

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 29 January 2022.

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

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Consultancy Shares.

This Resolution seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Consultancy Shares.

#### **4.2 Technical information required by Listing Rule 14.1A**

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

If Resolution 5 is not passed, the Consultancy Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Grange Shares.

#### **4.3 Technical information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) the Consultancy Shares were issued to Grange;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) the Consultancy 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 Consultancy Shares were issued on 18 March 2022;
- (e) the Consultancy Shares were issued at a nil issue price, in consideration for the corporate advisory services provided by Grange to the Company. The Company has not and will not receive any other consideration for the issue of the Consultancy Shares;
- (f) the purpose of the issue of the Consultancy Shares was to satisfy the Company's obligations pursuant to the Mandate; and
- (g) the Consultancy Shares were issued under the Mandate. A summary of the material terms of the Mandate are set out in Section 4.1 above.



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## 5. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1

### 5.1 General

On 12 October 2021, the Company announced that it had received firm commitments from professional and sophisticated investors to raise \$300,000 through the issue of 17,647,058 Shares at an issue price of \$0.017 (**October Placement Shares**).

On 21 October 2021, the Company announced that it had secured further commitments from professional and sophisticated investors to raise an additional \$23,000 through the issue of an additional 1,352,942 Shares on the same terms as the October Placement Shares (**Additional Placement Commitment Shares**).

As detailed in the Company's notice of annual general meeting dated 31 December 2021 (**31 December Notice**), the Company engaged the lead manager services of ACNS Capital Markets Pty Ltd T/A Alto Capital (ACN 088 503 208) (AFSL 279099) (**Alto Capital**). Refer to the 31 December Notice for further details with respect to the material terms of the engagement.

As summarised in this Section and above in Section 4.1, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period. The Company confirms that it is not in breach of Listing Rule 7.1.

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

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 31 January 2022.

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

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Additional Placement Commitment Shares.

This Resolution seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Additional Placement Commitment Shares.

## 5.2 Technical information required by Listing Rule 14.1A

If this Resolution is passed, the Additional Placement Commitment Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Additional Placement Commitment Shares.

If this Resolution is not passed, the Additional Placement Commitment Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Additional Placement Commitment Shares.

## 5.3 Technical information required by Listing Rule 7.5

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

- (a) the Additional Placement Commitment Shares were issued to professional and sophisticated investors who are clients of Alto Capital. The recipients were identified through a bookbuild process, which involved Alto Capital seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) 1,352,942 Additional Commitment Shares were issued and the Additional Commitment 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 Additional Placement Commitment Shares were issued on 20 October 2021;
- (e) the issue price was \$0.017 per Additional Placement Commitment Share. The Company has not and will not receive any other consideration for the issue of the Additional Commitment Shares;
- (f) the purpose of the issue of the Additional Placement Commitment was to raise \$23,000, which was applied towards business development, R&D and applied towards general working capital; and
- (g) the Additional Placement Commitment Shares were issued under the Alto Mandate. A summary of the material terms of the Alto Mandate is set out in Section 5.1 above and in the 31 December Notice.

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## **6. RESOLUTION 7 – ADOPTION OF EMPLOYEE SECURITIES INCENTIVE PLAN**

### **6.1 General**

Resolution 7 seeks Shareholder approval for the adoption of the employee incentive scheme titled "Employee Securities Incentive Plan" (**Plan**) and for the issue of securities under the Incentive Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

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

### **6.2 Listing Rule 7.1 and Listing Rule 7.2 Exception 13(b)**

As summarised in Section 5.1 above, and subject to a number of exceptions set out in Listing Rule 7.2, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 7 is passed, the Company will be able to issue securities under the Plan to eligible participants over a period of 3 years from the date of the Meeting. The issue of any securities to eligible participants under the Plan (up to the maximum number of securities stated in Section 6.3(c) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of securities under the Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 7 is not passed, the Company will be able to proceed with the issue of securities under the Plan to eligible participants, but any issues of securities will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of those securities.

### **6.3 Technical information required by Listing Rule 7.2 (Exception 13)**

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 7:

- (a) a summary of the key terms and conditions of the Plan is set out in Schedule 6;
- (b) the Company has not issued any securities under the Plan as this is the first time that Shareholder approval is being sought for the adoption of the Plan; and
- (c) the maximum number of securities proposed to be issued under the Plan in reliance on Listing Rule 7.2 (Exception 13(b)), is 7,542,709 securities, which is consistent with the previous employee plan in place being 5% of the issued ordinary fully paid shares. It is not envisaged that the maximum number of securities for which approval is sought will be issued immediately.

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## **7. RESOLUTIONS 8 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY – PAUL OSTERGAARD**

### **7.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to issue an aggregate of 10,000,000 Performance Rights (**Performance Rights**) to Paul Ostergaard (or his nominees) on the terms (**Related Party**) and conditions set out below.

Resolution 8 seeks Shareholder approval for the issue of 10,000,000 Performance Rights to the Related Party.

### **7.2 Chapter 2E of the Corporations Act**

A summary of Chapter 2E of the Corporations Act is set out in Section 1.2 above.

The issue of Performance Rights to the Related Party (or his nominee) constitutes giving a financial benefit and the Related Parties is a related party of the Company by virtue of being a Director.

The Directors (other than the Related Party who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Performance Rights because the agreement to issue the Performance Rights, reached as part of the remuneration package for the Related Party, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

### **7.3 Listing Rule 10.11**

A summary of Listing Rule 10.11 is set out in Section 1.3 above.

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

This Resolution seeks the required Shareholder approval for the issue of the Performance Rights under and for the purposes of Listing Rule 10.11.

### **7.4 Technical information required by Listing Rule 14.1A**

If this Resolution is passed, the Company will be able to proceed with the issue of the Performance Rights to within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing

Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under Listing Rule 10.11), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

If this Resolution is not passed, the Company will not be able to proceed with the issue of the Performance Rights.

## 7.5 Technical Information required by Listing Rule 10.13

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

- (a) 10,000,000 Performance Rights will be issued to Paul Ostergaard (or his nominee) who falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director;
- (b) the maximum number of Performance Rights to be issued to the Related Party being the nature of the financial benefit proposed to be given is 10,000,000.
- (c) the terms and conditions of the Performance Rights are set out in Schedule 3;
- (d) the Performance Rights will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Performance Rights will occur on the same date;
- (e) the issue price of the Performance Rights will be nil. The Company will not receive any other consideration in respect of the issue of the Performance Rights;
- (f) the purpose of the issue of the Performance Rights is to provide a performance linked incentive component in the remuneration package for the Managing Director to motivate and reward his performance as a Director and to provide cost effective remuneration for the Related Party, enabling 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 Related Party;
- (g) the current total remuneration package for the Related for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Financial Year 2021	Financial Year 2022
Paul Ostergaard	\$259,598 <sup>1</sup>	\$259,598 <sup>1</sup>

**Notes:**

- 1. Comprising Directors' salary of \$235,998, a superannuation payment of \$23,600. The Performance Rights are being issued under an agreement.
- (h) the value of the Performance Rights and the pricing methodology is set out in Schedule 5.

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## 8. RESOLUTIONS 10-13 – APPROVAL TO ISSUE OPTIONS TO RELATED PARTIES

### 8.1. General

On 3<sup>rd</sup> March 2022 the Company announced the closure of an Option Placement in accordance with a prospectus dated 16 February 2022 that offered up to 66,356,636 Options with an issue price of \$0.002 per option, exercisable at \$0.08 expiring 3<sup>rd</sup> March 2023. There were 34,457,676 shortfall options, of which 7,759,025 shortfall options were placed. On 28<sup>th</sup> March 2022, the Company announced that the Board had agreed to fully subscribe for the 26,698,651 shortfall options subject to shareholder approval.

In accordance with the prospectus shortfall offer, any shortfall options had to be placed prior to three months following the closing date of 3<sup>rd</sup> March 2022. As this date has now passed, the Company has agreed to the issue of the options that represent the shortfall amount subject to the receipt of Shareholder approval.

Paul Ostergaard, Dr John Tarrant, Philip Otley and Philip Marland (together, the **Related Parties**), being Directors.

Resolutions 10 to 13 seek Shareholder approval for the issue of up to an aggregate of 26,698,651 Options to the Related Parties arising from the Related Parties' agreement to subscribe for the Options shortfall.

### 8.2. Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 1.2 above.

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

In respect of Resolution 10, the Directors (other than Paul Ostergaard who has a material personal interest in Resolution 10) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Mr Ostergaard's Participation because the Options will be issued to Mr Ostergaard on the same terms as Options were issued to non-related party participants in the Option Placement in accordance with the prospectus dated 16<sup>th</sup> February 2022 and as such the giving of the financial benefit is on arm's length terms.

In respect of Resolution 11, the Directors (other than Dr John Tarrant who has a material personal interest in Resolution 11) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Dr Tarrant's Participation for the same reason as is given for Mr Ostergaard's Participation above.

In respect of Resolution 12, the Directors (other than Philip Otley who has a material personal interest in Resolution 12) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Mr Otley's Participation for the same reason as is given above.

In respect of Resolution 13, the Directors (other than Philip Marland 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 Mr Marland's Participation for the same reason as is given above.

### **8.3. ASX Listing Rule 10.11**

A summary of ASX Listing Rule 10.11 is set out in Section 1.3 above.

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

Resolutions 10 - 13 seek Shareholder approval for the Participation under and for the purposes of Listing Rule 10.11.

### **8.4. Technical information required by Listing Rule 14.1A**

If Resolutions 10 – 13 are passed, the Company will be able to proceed with the issue of the Options to Paul Ostergaard, Dr John Tarrant, Philip Otley and Philip Marsland within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Options (because approval is being obtained under Listing Rule 10.11), the issue of the Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 10 – 13 are not passed, the Company will not be able to proceed with the issue of the Options.

### **8.5. Technical Information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 12 - 13:

8.5.1. the Options will be issued to the following persons:

- 8.5.1.a.1. Resolution 10 - Paul Ostergaard (or his nominee);
- 8.5.1.a.2. Resolution 11 - Dr John Tarrant (or his nominee);
- 8.5.1.a.3. Resolution 12 - Philip Otley (or his nominee); and
- 8.5.1.a.4. Resolution 13 - Philip Marsland (or his nominee).

each of whom fall within the category set out in Listing Rule 10.11.1 as Paul Ostergaard, Dr John Tarrant, Philip Otley and Philip Marsland are related parties of the Company by virtue of being Directors;

8.5.2. the maximum number of Options to be issued to:

- 8.5.2.a.1. Paul Ostergaard (or his nominee) is 5,000,000;
- 8.5.2.a.2. Dr John Tarrant (or his nominee) is 14,198,651;
- 8.5.2.a.3. Philip Otley (or his nominee) is 2,500,000; and
- 8.5.2.a.4. Philip Marsland (or his nominee) is 5,000,000.

8.5.3. the terms and conditions of the Options are set out in schedule 7;

8.5.4. the Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that issue of the Options will occur on the same date;

- 8.5.5. the issue price of the Options will be \$0.002, being the same as all other Options issued to other participants under the Options Placement in accordance with the Prospectus dated 16 February 2022;
- 8.5.6. the Company intends to apply the funds raised from the Option Placement towards working capital and expansion of the Company's business development efforts for its two core telco services platforms;
- 8.5.7. the Options to be issued are not intended to remunerate or incentivise the Director; and
- 8.5.8. a voting exclusion statements is included in Resolutions 10-13 of the Notice.



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## SCHEDULE 1 – TERMS AND CONDITIONS OF NOTES

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The material terms of the Notes are set out below:

<b>Face Value</b>	Each note will have a face value of \$1.00
<b>Principal Amount:</b>	\$480,000
<b>Maturity Date:</b>	The maturity date of the Notes is 31 October 2022.
<b>Conversion:</b>	Each Note issued under the Convertible Note Facility may be converted into one fully paid ordinary share in the capital of the Company at the Conversion Price.
<b>Conversion Price:</b>	Each Convertible Note will be convertible into Shares at a conversion price of \$0.015 (1.5 cents) per Share ( <b>Conversion Price</b> ), plus a free attaching Option per Share issued on conversion.
<b>Conversion Options</b>	Each free attaching Option per Share issued on conversion shall have an exercise price of \$0.024 and expiring on or before 31 December 2023.
<b>Interest:</b>	No interest applies.
<b>Conversion Rights:</b>	The Notes are automatically deemed to convert into Shares on receipt of the Shareholder Approval and the receipt of the approval is deemed to be the notice of conversion.
<b>Redemption:</b>	<p>The Company is required to redeem the unconverted Notes (inclusive of interest) on the earlier of:</p> <ul style="list-style-type: none"><li>(a) the Repayment Date;</li><li>(b) within 10 business days of a demand by the Subscriber on the occurrence of an Event of Default (as defined below) which has not been remedied within the prescribed time; and</li><li>(c) on a change in control of the Company (including by takeover) or the sale of the Company's main undertaking.</li></ul>

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## SCHEDULE 2 – TERMS AND CONDITIONS OF THE INCENTIVE OPTIONS

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(a) **Entitlement**

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

(b) **Vesting Conditions**

The Options shall vest subject to the following conditions:

(i) 5,000,000 Incentive Options exercisable at 2.4 cents per Option, will vest on one or more of the three Norwood business development milestones being met as follows. **(Tranche 1 Options)**;

(A) Signing of an agreement with a telecoms operator, partner or enterprise client with committed cumulative revenue to Norwood in excess of \$AUD\$1m to be completed no later than June 2023, or

(B) Signing of a distribution agreement with a Norwood Priority System Integrator or Supplier to Telco or Enterprise Markets with actual funds being received by the Company no later than 30 June 2023, (list of Priority Partners include the following)

1. Microsoft
2. Google / Alphabet
3. Amazon
4. Apple
5. Mavenir
6. Oracle
7. Infosys
8. Accenture
9. Verizon
10. AT&T
11. T-Mobile USA
12. Vodafone (anywhere)
13. Telefonica (anywhere)
14. Deutsche Telekom (anywhere)
15. Telenor (anywhere)
16. Virgin Media O2
17. Everything Everywhere
18. Rogers Wireless
19. Bell Mobility / Bell Canada
20. Telus Mobility
21. Optus

The Board retains the ability and authority to adapt the above list (with the key criterion for the Board to add another potential partner being “transformative potential”).

or

(C) Total Norwood Revenues (excluding any R&D tax credits one-off or extraordinary revenue items; revenue received in the form of government grants, allowances,

rebates or other hand-outs and any other type of one-off non-recurring revenue received not in the normal course of business) in any single financial year in excess of AUD\$2.2m.

- (ii) 5,000,000 Incentive Options exercisable at 2.4 cents per Option, will vest on Norwood market capitalisation exceeding AUD \$25 million over a window of not less than 30 days of continuous trading days or where a change of control is agreed by the Norwood Board and Shareholders. A 30 day volume weighted average price ('VWAP') will be used to determine the share price. Condition to be satisfied no later than 30 June 2023 (**Tranche 2 Options**); and

(b) **Exercise Price**

Subject to paragraph (h), the amount payable upon exercise of each Incentive Option will be 2.4 cents (**Exercise Price**).

(c) **Expiry Date**

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

(d) **Automatic Exercise**

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

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

Within 15 Business Days after the later of the following:

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

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

- (iii) issue the number of Shares required under these terms and conditions in respect of the number of Incentive 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 (e)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being

ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(f) **Shares issued on exercise**

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

(g) **Reconstruction of capital**

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

(h) **Participation in new issues**

There are no participation rights or entitlements inherent in the Incentive 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.

(i) **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.

(j) **Transfer of Incentive Option's**

The Incentive Option are non-transferrable.

(k) **Subdivision 83AC**

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

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## SCHEDULE 3 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

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The terms and conditions of the Performance Rights is set out below:

(a) **Vesting Condition**

The Performance Rights shall vest as follows:

- (i) 5,000,000 Class A Performance Rights shall vest upon the achievement of annualised revenue of a minimum \$5,000,000 on or before the financial year ended 30 June 2026 in any twelve-month financial period, as independently verified by the Company's auditors.
- (ii) 5,000,000 Class B Performance Rights shall vest upon the achievement of annualised revenue of a minimum \$10,000,000 on or before the financial year ended 30 June 2027 in any twelve-month financial period, as independently verified by the Company's auditors.

Total Norwood Revenues are to exclude any R&D tax credits one-off or extraordinary revenue items; revenue received in the form of government grants, allowances, rebates or other hand-outs and any other type of one-off non-recurring revenue received not in the normal course of business.

(each a **Vesting Condition**)

(b) **Conversion**

Subject to paragraph (f), upon vesting, each Performance Right will convert into one (1) fully paid ordinary share (**Share**).

(c) **Expiry**

Each of the Performance Rights will lapse 5 years from issue date (**Expiry Date**).

Any Performance Right not vested before the Expiry Date shall automatically lapse on the Expiry Date and the holder shall have no entitlement to Shares pursuant to those Performance Rights.

(d) **Notification to holder**

The Company shall notify the holder in writing when the Vesting Condition has been satisfied.

(e) **Change in control**

Subject to paragraph (g), upon:

- (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
  - (A) having received acceptances for not less than 50.1% of the Company's Shares on issue; and
  - (B) having been declared unconditional by the bidder.
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other,

then, to the extent Performance Rights have not converted into Shares due to satisfaction of the Vesting Condition, Performance Rights will accelerate vesting conditions and will automatically convert into Shares on a one-for-one basis.

(f) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Right under paragraph (b) or (e) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (f)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(g) **Automatic Lapse**

In the event the holder ceases to be employed by the Company, or their engagement with the Company is discontinued, all Performance Rights shall automatically lapse unless the holder ceases to be employed or engaged as a result of being removed from office by the Company other than for misconduct in which case the Board may, in its absolute discretion, determine that all or a specified number of a holder's Performance Rights automatically vest.

(h) **Nil Consideration**

The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Performance Rights or the satisfaction of a Vesting Condition.

(i) **Quotation**

The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued on conversion of Performance Rights on ASX within 5 Business Days after the date of issue of those Shares.

(j) **Timing of Shares on Conversion**

Within 5 Business Days after the date that the Performance Rights are converted, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights converted;

- (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 conversion of the Performance Rights.

If a notice delivered under (j)(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.

(k) **Pari Passu**

All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.

(l) **Holding Statements**

The Company will issue the Holder with a new holding statement for the Shares as soon as practicable following conversion of the Performance Rights into Shares.

(m) **Non-transferable**

The Performance Rights are not transferable.

(n) **Bonus Issue**

If Shares are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation or reserves or distributable profits, the number of Performance Rights to which each holder is entitled, or any amount payable on vesting of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage accrues to the holder as a result of the bonus issue and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.

(o) **Re-organisation**

In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Performance Rights to which each Participant is entitled, or any amount payable on vesting of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage or disadvantage accrues to the holder as a result of such corporate actions and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(p) **No Participation Rights**

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues without exercising the Performance Right..

(q) **Voting and Dividends**

A Performance Right does not confer the right to vote or receive dividends.

(r) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(s) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(t) **No other rights**

A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.



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## SCHEDULE 4 – VALUATION OF INCENTIVE OPTIONS

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The Incentive Options to be issued to the Related Parties pursuant to Resolutions 3, 4 and 9 to Philip Otley, Philip Marland and Paul Ostergaard have been valued by internal management.

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

Inputs	
Grant Date	10-Aug 2022
Valuation date	10-Aug 2022
Share Price <sup>1</sup>	1.5 cents
Exercise price	2.4 cents
Expiry date (length of time from issue)	3 years
Interest Rate <sup>2</sup>	2.97%
Volatility Rate <sup>3</sup>	82.79%
<b>Indicative value per Incentive Option</b>	\$0.0065
<b>Total Value of Incentive Options</b>	
- Philip Otley (Resolution 3)	\$65,000
- Philip Marland (Resolution 4)	\$65,000
- Paul Ostergaard (Resolution 9)	\$65,000

**Notes:**

1. The Share Price is the closing price of Shares on ASX on the trading day prior to the valuation date.
2. The interest rate is the Capital Market Yields of Government Bonds rate as published by the Reserve Bank of Australia on 10-Aug 2022 .
3. Volatility Rate is determined from the daily movements in share price over the last 12 months.

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

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## SCHEDULE 5 – VALUATION OF PERFORMANCE RIGHTS

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The Performance Rights to be issued to the Related Party pursuant to Resolution 8 to Paul Ostergaard have been valued by internal management.

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

Inputs:	Class A	Class B
Grant Date	10-Aug 2022	10-Aug 2022
Valuation Date	10-Aug 2022	10-Aug 2022
Share Price on grant date	1.5 cents	1.5 cents
Expiry Date	4 years from issue date	5 years from issue date
Interest Rate <sup>2</sup>	2.97%	2.97%
Volatility Rate <sup>3</sup>	82.79%	82.79%
Vesting probability	50%	50%
Vesting conditions <sup>4</sup>		
No of Performance Rights to be issued	2,500,000	2,500,000
Value per right	\$0.015	\$0.015
Total indicative fair value of performance rights	\$37,500	\$37,500

**Notes:**

1. The Share Price is the closing price of Shares on ASX on the trading day prior to the valuation date.
2. The interest rate is the cash rate as published by the Reserve Bank of Australia on 10-Aug 2022
3. Volatility Rate is determined from the daily movements in share price over the last 12 months.
4. Refer to Schedule 3 for details on the vesting conditions of each class of the performance right.

## SCHEDULE 6 – TERMS AND CONDITIONS OF EMPLOYEE SECURITIES INCENTIVE PLAN

The material terms and conditions of the Employee Securities Incentive Plan (**Plan**) are as follows:

<p><b>Eligibility</b></p>	<p>Participants in the Plan may be:</p> <p>(a) any non-employee director or any full or part-time employee of the Company and its related bodies corporate (the <b>Group</b>); or</p> <p>(b) any other person providing services to the Group, who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Options, Performance Rights and Shares (<b>Awards</b>) under the Plan (<b>Eligible Participant</b>).</p>
<p><b>Offer</b></p>	<p>The Company may, at the sole and absolute discretion of the Board, offer and issue to an Eligible Participant any (or any combination) of the different types of Awards provided under the Plan.</p> <p>The terms and conditions of Awards offered or granted under the Plan to each Eligible Participant will be determined by the Board in its sole and absolute discretion.</p>
<p><b>Convertible Security</b></p>	<p>Each Option and/or Performance Right (<b>Convertible Security</b>) represents a right to acquire one or more Shares, subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.</p>
<p><b>Vesting of a Convertible Security</b></p>	<p>Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied by the due date and/or otherwise waived by the Board, that Convertible Security will lapse.</p>
<p><b>Exercise of Convertible Securities and cashless exercise</b></p>	<p>To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Options (see below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.</p> <p>The Board may determine in its sole and absolute discretion that a Participant will not be required to provide payment of the exercise price of Options, but that on exercise of the Options, the Company will only allot and issue or transfer that number of Plan Shares to the</p>

	<p>Participant that are equal in value to the difference between the exercise price otherwise payable in relation to the Options and the then Market Value of the Plan Shares as at the time of the exercise (with the number of Plan Shares rounded down).</p> <p>A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.</p>
<p><b>Shares</b></p>	<p>The Board may from time to time make an invitation to an Eligible Participant to acquire Shares under the Plan. The Board will determine in its sole and absolute discretion the acquisition price (if any) for each Share which may be nil. The Shares may be subject to performance hurdles and/or vesting conditions as determined by the Board.</p> <p>Where Shares granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Shares will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under these Rules.</p> <p>When the Company makes an invitation to an Eligible Participant to acquire Shares, the Company may also offer the Eligible Participant a loan on terms and conditions to be determined by the Board, for the amount of the acquisition price of the Shares, for the purposes of acquiring all or part of the Shares the subject of the invitation. The loan amount may accrue interest as determined by the Board.</p> <p>A Participant may repay all or part of a loan at any time before the expiration of the loan term, and at the expiration of the loan term the Participant must immediately repay all of the loan.</p>
<p><b>Forfeiture</b></p>	<p>In respect of each offer of Awards, the Board may determine, criteria, requirements or conditions which if met (notwithstanding the satisfaction or waiver of any performance hurdles and vesting conditions) will result in the lapsing of Convertible Securities or a Participant surrendering Shares (<b>Forfeiture Conditions</b>).</p> <p>Where such Forfeiture Conditions are met, unless the Board in its sole discretion determines otherwise, all unvested and vested Convertible Securities will automatically lapse and all unvested and vested Shares will automatically be surrendered.</p> <p>In addition, where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breaches his or her duties to the Group, the Board may in its discretion deem all Awards to be forfeited.</p>
<p><b>Rights attaching to Shares</b></p>	<p>Any Shares allotted, issued or transferred by the Company to a Participant under the Plan (including on exercise or conversion of Convertible Securities) will rank equally with all existing Shares on and from the date of allotment, issue or transfer, including in respect of all rights and bonus issues.</p>
<p><b>Disposal Restrictions</b></p>	<p>If the invitation provides that any Shares held by any Participants are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.</p> <p>For so long as Shares held by any Participants are subject to any disposal restrictions under the Plan, the Participant must not transfer, encumber or otherwise dispose of, or have a security interest granted</p>

	over that Share or take any action if to do so would contravene applicable laws.
<b>Buy-Back</b>	Subject to applicable law, the Company may at any time buy-back Awards in accordance with the terms of the Plan.
<b>Change of Control</b>	If a change of control event occurs in relation to the Company, and unless the Board determines otherwise in its sole and absolute discretion, Awards granted will vest where vesting conditions and performance hurdles have been satisfied on a pro rata basis based on the period which has elapsed from the grant date to the date of the change of control event.
<b>Employee Share Trust</b>	The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Awards for Participants under the Plan and delivering Shares on behalf of Participants upon exercise of Options and/or Performance Rights (as the case may be).
<b>Participation Rights</b>	During the currency of any Convertible Securities and prior to their vesting, Participants are not entitled to participate in any new issue of Securities of the Company as a result of their holding Convertible Securities.
<b>Reorganisation</b>	<p>Subject to all applicable laws, following any variation to the issued capital of the Company arising from:</p> <ul style="list-style-type: none"> <li>(a) a reduction, subdivision or consolidation of the issued capital of the Company;</li> <li>(b) a reorganisation of the issued capital of the Company;</li> <li>(c) a distribution of assets in specie;</li> <li>(d) the payment of a dividend, otherwise than in the ordinary course, of an amount substantially in excess of the Company's normal distribution policy; or</li> <li>(e) any issue of Shares or other equity securities or instruments which convert into Shares by way of capitalisation of profits or reserves,</li> </ul> <p>the number of Awards to which each Participant holds under the Plan, and the exercise price of Options (if any) held by each Participant, will be adjusted in accordance with the Listing Rules.</p>
<b>Amendment of Plan</b>	<p>Subject to the following paragraph, the Listing Rules and the Company's constitution, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Awards that have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.</p> <p>No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by the relevant Participant.</p>

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## SCHEDULE 7 – 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 \$0.08 (**Exercise Price**).

c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 3 March 2023 (**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 five (5) 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 paragraph 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 Optionholder are to be changed in a manner consistent with the Corporations Act and the 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 Optionholders 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 not seek to have the Options quoted by ASX.

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## SCHEDULE 8 – TERMS AND CONDITIONS OF OPTIONS ON CONVERSION OF CONVERTIBLE NOTES

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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 \$0.024 (**Exercise Price**).

c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 December 2023 (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 five (5) Business Days after the Exercise Date, the Company will:

- iv.) 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;
- v.) 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
- vi.) 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 paragraph 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 Optionholder are to be changed in a manner consistent with the Corporations Act and the 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 Optionholders 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 not seek to have the Options quoted by ASX.

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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.

**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.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

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

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

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

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

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

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

**Incentive Options** means an option to acquire a Share subject to the terms and conditions set out in Schedule 2.

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

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

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

**Option** means an option to acquire a Share subject to the terms and conditions set out in either Schedule 7 or Schedule 8 (as applicable).

**Optionholder** means a holder of an Option or an Incentive Option (as applicable).

**Performance Right** means a right to acquire a Share, subject to the terms and conditions set out in Schedule 3.

**Proxy Form** means the proxy form accompanying the Notice.

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

**Section** means a section of the Explanatory Statement.

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

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

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

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**ONLINE PROXY APPOINTMENT**

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



**MOBILE DEVICE PROXY APPOINTMENT**

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

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

**GENERAL MEETING PROXY FORM**

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

**APPOINT A PROXY**

The Chair of the Meeting **OR**

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

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the General Meeting of the Company to be held **at the office of Advanced Share Registry Limited, 110 Stirling Highway, Nedlands, WA 6009 on 26 October 2022 at 3:00pm (AWST)** and at any adjournment or postponement of that Meeting.

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

**Chair authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 2-4 & 7-9 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair .

**VOTING DIRECTIONS**

Resolutions	For	Against	Abstain*
1 Issue of Shares and Options to related party – Dr John Tarrant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Issue of Shares to related party – Dr John Tarrant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Issue of Incentive Options to related party – Philip Otley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Incentive Options to related party – Philip Marsland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of prior issue of Shares – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Ratification of prior issue of Shares – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Adoption of Employee Securities Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Issue of Performance Rights to related party – Paul Ostergaard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Issue of Incentive Options to related party – Paul Ostergaard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Approval to Issue Options to related party – Paul Ostergaard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Approval to Issue Options to related party – Dr John Tarrant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Approval to Issue Options to related party – Philip Otley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13 Approval to Issue Options to related party – Philip Marsland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)  Joint Shareholder 2 (Individual)  Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) Director

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

Email Address

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

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

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

### CHANGE OF ADDRESS

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

### APPOINTMENT OF A PROXY

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

### DEFAULT TO THE CHAIR OF THE MEETING

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

### VOTING DIRECTIONS – PROXY APPOINTMENT

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

### PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 2-4 & 7-9, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 2-4 & 7-9.

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

### APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

### COMPLIANCE WITH LISTING RULE 14.11

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

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

### CORPORATE REPRESENTATIVES

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

### SIGNING INSTRUCTIONS ON THE PROXY FORM

#### Individual:

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

#### Joint Holding:

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

#### Power of Attorney:

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

#### Companies:

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

### LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 3:00pm (AWST) on 24 October 2022, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



#### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



#### BY MAIL

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



#### BY FAX

+61 8 6370 4203



#### BY EMAIL

[admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)



#### IN PERSON

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009



#### ALL ENQUIRIES TO

Telephone: +61 8 9389 8033