

# Notice of Annual General Meeting and Explanatory Statement

Annual General Meeting to be held at the offices of the Company at:

Level 28  
108 St Georges Terrace  
Perth  
Western Australia

On Tuesday 7 December 2021 commencing at 9.30am (AWST)

## **CIRRUS NETWORKS HOLDINGS LIMITED**

**ACN 103 348 947**

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

## Corporate Directory

Directors	Mr Paul Everingham (Chairman) Mr Chris McLaughlin (Managing Director) Mr Daniel Rohr
Company Secretary	Ms Catherine Anderson
Registered Office	Level 28 108 St Georges Terrace Perth WA 6000 Telephone: (08) 6180 4222
Website	<a href="http://www.cirrusnetworks.com.au">www.cirrusnetworks.com.au</a>
Share Registry	Automic Level 2/267 St Georges Terrace Perth WA 6000  Telephone: 1300 288 664
ASX Code	CNW

## Notice of General Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of Cirrus Networks Holdings Limited ("the Company") will be held at the offices of the Company at Level 28, 108 St Georges terrace, Perth, Western Australia at 9.30am (AWST) on Tuesday 7 December 2021.

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19. While the COVID-19 situation remains stable in Western Australia as at the date of this Notice, the situation could change and hence Shareholders are strongly encouraged to vote by proxy by appointing the Chair of the Meeting as their proxy. Shareholders can complete the proxy form to provide specific instructions on how a vote is to be exercised on each item of business, and the Chair must follow your instructions. To lodge your proxy, please follow the directions on your personalised proxy form.

Shareholders who wish to attend in person must register your intention to attend with the Company Secretary at least 48 hours before the meeting (catherine.anderson@cirrusnetworks.com.au).

If it becomes necessary or appropriate to make alternative arrangements than those set out above, Shareholders will be updated via the ASX market announcements platform.

The Explanatory Statement to this Notice of Annual General Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and Proxy Form are part of this Notice of Annual General Meeting.

## Agenda

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### Annual Report

To table and consider the Annual Financial Report of the Company and its controlled entities for the year ended 30 June 2021, together with a Directors' report in relation to that financial year and the auditor's report on the Annual Financial Report.

### Resolution 1 - Remuneration Report

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To consider, and if thought fit, to pass the following as a non-binding, advisory resolution:

*"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Report for the year ended 30 June 2021."*

#### Voting Exclusion Statement

The company will disregard any votes cast on this Resolution (in any capacity, whether as proxy or as shareholder) by any Key Management Personnel and Closely Related Parties of Key Management Personnel.

However, the Company need not disregard a vote if it is:

- Cast by a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions of the proxy form that specifies how the proxy is to vote on the Resolution; or
- Cast by the chair of the Meeting as proxy or attorney appointed in accordance with the directions of the proxy form for a person who is entitled to vote, and such appointment on the proxy form expressly authorises the chair to exercise the proxy even if the Resolution is connected directly with the remuneration report; or

- Cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- 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
  - The holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way

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## Resolution 2 – Election of New Director – Chris McLaughlin

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

*"That Mr Chris McLaughlin who was appointed a Director of the Company since the last Annual General Meeting, as required by the Constitution and being eligible, offers himself for election, is elected as a Director."*

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## Resolution 3 - Re-Election of Director – Dan Rohr

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

*"That Mr Dan Rohr, who retires in accordance with the Constitution and being eligible, offers himself for re-election, is elected as a Director."*

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## Resolution 4 - Approval of Additional 10% Placement Capacity

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

*"That, for the purposes of Listing Rule 7.1A and all other purposes, Shareholders authorise the Company to have the additional capacity to issue equity securities comprising up to 10% of the issued capital of the Company under Listing Rule 7.1A, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, and on the terms and conditions set out in the Explanatory Statement."*

### Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity).

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

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

**Dated:** 26 October 2021

**BY ORDER OF THE BOARD**

**Catherine Anderson**  
**Company Secretary**

## **Explanatory Statement**

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### **Introduction**

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Annual General Meeting ("AGM") and should be read in conjunction with it. Capitalised terms in this Explanatory Statement are defined in the Glossary.

### **Proxies**

Please note that:

- (a) Shareholders entitled to attend and vote at the AGM are entitled to appoint a proxy;
- (b) A proxy need not be a member of the Company; and
- (c) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

### **"Snap-shot" Time**

The Company may specify a time, not more than 48 hours before the AGM, at which a "snap-shot" of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote.

The Directors have determined that all Shares that are quoted on ASX at 5.00pm EST on Sunday 5 December 2021 shall, for the purposes of determining voting entitlements at the AGM, be taken to be held by the persons registered as holding the Shares at that time.

### **Corporate Representative**

Any corporate Shareholder who has appointed a person to act as its corporate representative at the AGM should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that Company's representative. The authority may be sent to the Company in advance of the AGM or handed in at the AGM when registering.

### **Election of Directors - Nominations**

Under the Constitution of the Company, nominations for appointment as a Director must be received by the Company at its registered office at least 30 business days before the date of the Meeting, accompanied by a signed consent to act.

### **Form of Voting**

In line with Recommendation 6.4 of the ASX's Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition, all substantive resolutions will be voted on by way of a poll rather than a show of hands. For the 2021 AGM, this applies to Resolution 4 relating to approval under Listing Rule 7.1A (additional 10% placement capacity).

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## Annual Report

There is no requirement for Shareholders to approve the Annual Financial Report.

Shareholders will be offered the following opportunities:

- (a) Discuss the Annual Financial Report for the financial year ended 30 June 2021 which is online at [www.cirrusnetworks.com.au](http://www.cirrusnetworks.com.au) or by contacting the Company on +61 8 6180 4222;
- (b) Ask questions or make comment on the management of the Company; and
- (c) Ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report.

In addition to taking questions at the AGM, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) The preparation and content of the auditor's report;
- (b) The conduct of the audit;
- (c) Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) The independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the AGM to the Company Secretary at the Company's registered office.

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## Resolution 1 – Remuneration Report

Pursuant to section 250R(2) of the Corporations Act, the Company is required to put the Remuneration Report to the vote of Shareholders. The Annual Report for the year ended 30 June 2021 contains the Remuneration Report which sets out the Company's remuneration policy and the remuneration arrangements in place for all Directors.

Pursuant to the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. Of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report. The Board will, however, take the outcome of the vote into consideration when considering the remuneration policy.

In accordance with Division 9 or Part 2G.2 of the Corporations Act, if 25% or more of the votes that are cast are cast against the adoption of the Remuneration Report at the 2021 and 2022 AGMs, Shareholders will be required to vote at the second of those AGM's on a resolution (known as a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors must go up for re-election (other than the Managing Director). As at the date of this meeting, the position of Managing Director is held by Chris McLaughlin.

The Board encourages all Shareholders to carefully read the Remuneration Report and if they have any questions to contact the Company before casting their vote.

Please note that a Chairman who is also a member of the Company's Key Management Personnel ("KMP") may vote undirected proxies on the non-binding resolution on executive remuneration if:

- (a) A Shareholder provides express consent in a proxy appointment for that person to exercise the proxy; and
- (b) The vote is not being cast on behalf of a shareholder who is a member of the KMP and whose remuneration details are included in the remuneration report, or a closely related party of such a member.

Please note that the KMP of the Company are its directors: Paul Everingham, Chris McLaughlin, Daniel Rohr as well as the CFO Matthew Green. Under the Corporations Act, their “Closely Related Parties” are their respective spouses, dependants and certain other close family members, as well as companies controlled by them.

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## **Resolution 2 - Election of Chris McLaughlin**

The Constitution requires that any director appointed by the Board automatically retires at the next AGM and is eligible for election at that AGM. Mr McLaughlin was appointed a Director of the Company on 30 September 2021. Pursuant to the Constitution therefore, Mr McLaughlin retires and seeks election accordingly and a summary of Mr McLaughlin’s qualifications and experience is as follows:

*Chris McLaughlin has over 20 years’ industry experience in business management, engineering, and technology with the last 10 years in senior executive roles within rapidly growing ICT businesses.*

*After graduating with an honours degree in Electronic & Electrical Engineering, Chris joined IBM in the UK and quickly found his first management position supporting the outsource of IBM Manufacturing to Sanmina-SCI.*

*Chris migrated to Australia in 2006, joined L7 Solutions in Western Australia, and contributed significantly to their growth in lead to their acquisition by Amcom in 2011. Following this, Chris worked as COO for PDC, a drafting and engineering company with global locations, and helped drive their international business transformation.*

*Chris joined Cirrus in 2016 and has been the executive instrumental in developing the national managed/outsourced and professional services business lines, including with the Federal Government. Chris has also been key in the integration of various acquisitions into Cirrus over the last 5 years.*

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## **Resolution 3 – Re - Election of Dan Rohr**

The Constitution requires that one third of the Directors must retire at each AGM (rounded to the nearest whole number). The Constitution provides that a Director who retires by rotation is eligible for re-election. Pursuant to the Constitution, Mr Rohr is required to retire by rotation and seeks re-election accordingly.

A summary of Mr Rohr’s qualifications and experience is as follows:

*Appointed to the Cirrus Board in July 2015, Dan Rohr is a Chartered Accountant with a Bachelor of Commerce degree and has over 30 years management, corporate advisory, finance and accounting experience across a range of listed and unlisted companies in Australia and overseas.*

*He is currently the CFO of HealthEngine Pty Limited and has acted as a corporate advisor for a number of listed and non-listed businesses in the IT and mining sectors. Mr Rohr has extensive experience in managing the development of high growth companies in the digital, mining, real estate and financial services industries. During the previous 3 years, Mr Rohr has not held any other directorships in listed entities.*

## Resolution 4 – Approval of Additional 10% Placement Capacity

### Background

ASX Listing Rule 7.1A enables “eligible entities” to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the AGM (“10% Placement Capacity”). This is in addition to the Company’s 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of the Listing Rules is one that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity for this purpose.

The Company previously obtained the same approval under ASX Listing Rule 7.1A at the 2020 AGM but did not use the 10% Placement Facility. The Company currently has no plans to use this additional placement capacity, but this special resolution is being put to members so that the Company retains a high level of capital raising flexibility to meet any significant opportunities that may arise.

The Company is seeking Shareholder approval by way of a special resolution (requiring 75% approval) to have the ability to issue Equity Securities under the 10% Placement Capacity in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

If this Resolution is approved as a special resolution, the Company will be able to issue equity securities under Listing Rules 7.1 and 7.1A without further shareholder approval such that the Company’s total annual placement capacity will be 25% of its issued capital.

The Board considers that an approval of the additional 10% Placement Capacity is beneficial as it provides the flexibility to issue up to the maximum number of securities permitted under Listing Rule 7.1A in the next 12 months without further Shareholder approval, should it be required.

In the event that this Resolution is not passed, then the Company will be limited to the standard 15% placement capacity provided for in Listing Rule 7.1 for the next 12 months, unless Shareholder separate approval to issue more shares is obtained.

### Description of Listing Rule 7.1A

1. **Shareholder approval:** The ability to issue Equity Securities under the 10% Placement Capacity is subject to Shareholder approval by way of a special resolution at an AGM.
2. **Equity Securities:** Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. The Company has on issue only one class of quoted Equity Securities, listed ordinary Shares.
3. **Formula for calculating 10% Placement Capacity:** Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an AGM may, during the period of the approval, issue or agree to issue a number of Equity Securities calculated in accordance with the formula:

$$(A \times D) - E$$

Where:

A = The number of fully paid ordinary shares on issue at the commencement of the relevant period:



- Plus the number of fully paid ordinary securities issued in the 12 months under an exception to ASX Listing Rule 7.2 other than exception 9, 16 or 17;
- Plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within ASX Listing Rule 7.2 exception 9 where:
  - The convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
  - The issue of, or agreement to issue the convertible securities was approved or taken under these rules to have been approved under ASX Listing Rule 7.1 or 7.4;
- Plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within ASX Listing Rule 7.2 exception 16 where:
  - The agreement was entered into before the commencement of the relevant period; or
  - The agreement or issue was approved, or taken under these rules to have been approved under ASX Listing Rule 7.1 or rule 7.4;
- Plus the number of any other fully paid ordinary securities that became fully paid in the relevant period;
- Less the number of fully paid ordinary securities cancelled in the last 12 months.

Note that “A” has the same meaning in ASX Listing Rule 7.1 when calculating an entity’s 15% placement capacity.

D = 10%

E = The number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the last 12 months immediately preceding the date of issue of the shares where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under ASX Listing Rule 7.4.

The Company currently has on issue 928,715,314 shares. Assuming this Resolution is approved, the Company will have a capacity to issue: 139,307,297 (15%) Equity Securities under Listing Rule 7.1; and 92,871,531 (10%) Equity Securities under Listing Rule 7.1A (with the actual number being calculated at the date of their issue in accordance with the formula in Listing Rule 7.1A.2).

### **Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, additional information is provided in relation to the approval of the 10% Placement Capacity as follows:

#### **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur to the following:

- The date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- The time and date of the Company’s next annual general meeting; or

- The time and date of the approval by shareholders of ordinary securities of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

### Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average market price ("VWAP") of Equity Securities in the same class calculated over the 15 trading days immediately before:

- The date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the securities; or
- If the Equity Securities are not issued within 10 Trading Days of the date in the paragraph above, the date on which the Equity Securities are issued.

### The purposes for which the Equity Securities may be issued

The Company may seek to issue the Equity Securities as the non-cash consideration for the acquisition of new assets and investments: In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A (4) and 3.10.5A upon issue of any Equity Securities.

### Risk of Economic and Voting Dilution

If this Resolution is approved and the Company makes use of the 10% Placement Capacity, existing Shareholders may be subject to both economic and voting dilution. There is a risk that:

- The market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the AGM;
- The Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date; and
- The Equity Securities are issued as part of consideration for the acquisition of a new asset, in which case, no funds will be raised by their issue.

The table below shows the dilution of existing Shareholders on the basis of a base price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice. The table also shows:

- Two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of shares the Company has on issue. The number of shares on issue may increase as a result of issues that do not require Shareholder approval (for example, a pro rata entitlements issue or script issued under a takeover); or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; or the exercise of options; and
- Two examples of where the issue price of shares has decreased by 50% and increased by 100% as against the base price.

Number of Shares on Issue	Issue Price (per share):	\$0.015 (50% decrease in base market price)	\$0.030 (base market price as at 27/10/21)	\$0.060 (100% increase in base market price)
930,006,385 (current)	Shares Issued	93,000,638 shares	93,000,638 shares	93,000,638 shares
	Funds Raised	\$1,395,009	\$2,790,019	\$5,580,038
1,395,009,577	Shares Issued	139,500,957	139,500,957	139,500,957

(50% increase)		shares	shares	shares
	Funds Raised	\$2,092,514	\$4,185,028	\$8,370,057
1,860,012,770 (100% increase)	Shares Issued	186,001,277 shares	186,001,277 shares	186,001,277 shares
	Funds Raised	\$2,790,019	\$5,580,038	\$11,160,076

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available to it;
- No options are exercised into Shares before the date of issue;
- The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue;
- The table shows only the effect of issues under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1. Dilution experienced by Shareholders may be greater if issues have been made under Listing Rule 7.1 as well; and
- The issue of Equity Securities consists only of Shares.

**The Company's allocation policy for the 10% Placement Capacity:** This is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. At the date of the Notice of Meeting, the Company has no immediate plans to use the 10% Placement Capacity should it be approved. Any such decision to do so will be determined on a case-by-case basis as and when the circumstances of the Company require having regard to the factors such as:

- The methods of raising funds that are available to the Company such as rights issues or other issue in which existing Shareholders can participate;
- The effect of the issue of the Equity Securities on the control of the Company;
- The financial situation and solvency of the Company; and
- Advice from corporate, financial and broking advisers (if applicable).

Further, if the Company did acquire new assets, it may be the case that allottees under the 10% Placement Capacity will be the vendors of the new assets.

#### **Previous Listing Rule 7.1A approval**

The Company obtained approval for its Shareholders pursuant to ASX Listing Rule 7.1A at its 2020 AGM. The Company has not issued any fully paid ordinary shares pursuant to this previous approval. During the 12 months period preceding the date of the date of the Annual General Meeting the subject of this Notice, the Company has only issued shares as a consequence of the exercise of options, as follows:

- Number of shares on issue as at 2020 AGM (28/11/2020): 885,866,058
- Number of 1.7c exp 30 June 2021 options exercised: 44,140,327 (raising \$750,385)
- Number of shares on issue at the date of this Notice: 930,006,385

#### **Voting Exclusion Statement**

A voting exclusion statement is included in the Notice for the purpose of this Resolution.

The Board considers that the approval of the additional 10% Placement Capacity is beneficial for the Company as it provides flexibility to issue up to the maximum number of securities permitted under Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should it be required. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of this Resolution. The Chairman intends to vote all undirected proxies in favour of this Resolution.

Voting on this Resolution at the Meeting will be way of a poll in line with recommendation 6.4 of the Corporate Governance Principles and Recommendations 4th Edition.

## Glossary

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In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

**AGM or Annual General Meeting or Meeting** means the annual general meeting of the Company to be held on Tuesday 7 December 2021.

**Associate** has the meaning given to that term in the Corporations Act.

**ASX** means ASX Limited (ACN 008 624 691).

**AWST** means Australian Western Standard Time, being the time in Perth, Western Australia.

**Board** means the board of Directors as at the date of this Notice.

**Chairman** means the chairman of the Meeting.

**Closely Related Party** has the meaning set out in section 9 of the Corporations Act, and includes a spouse, dependant and certain other close family members as well as companies controlled by the KMP.

**Company** means Cirrus Networks Holdings Limited (ACN 103 348 947).

**Constitution** means the constitution of the Company.

**Corporate Representative** means a person appointed by a corporate Shareholder to act as its corporate representative at the General Meeting.

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

**Director** means a director of the Company.

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

**Key Management Personnel or KMP** means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).

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

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

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

**Remuneration Report** means the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2021.

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

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

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

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