

Notice of Annual General Meeting and Explanatory Statement

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

**Palace Meeting Room
Ground Floor
108 St Georges Terrace
Perth
Western Australia**

On Tuesday 29 November 2022 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 Mr Adam Waterworth
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Company Secretary	Ms Catherine Anderson
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Registered Office	Level 28 108 St Georges Terrace Perth WA 6000 Telephone: (08) 6180 4222
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Website	www.cirrusnetworks.com.au
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Share Registry	Automic Level 2/267 St Georges Terrace Perth WA 6000 Telephone: 1300 288 664
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ASX Code	CNW
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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 in the Palace Meeting Room, Ground Floor, 108 St Georges Terrace, Perth, Western Australia at 9.30am (AWST) on Tuesday 29 November 2022. Entry to the venue is via the lobby of the building, behind the Palace Café.

While the COVID-19 situation is stable in Western Australia, 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.

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

Annual Report

To table and consider the Annual Financial Report of the Company and its controlled entities for the year ended 30 June 2022, 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

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 2022."

Voting Exclusion Statement – see page 4

Resolution 2 – Election of New Director – Adam Waterworth

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

"That Mr Adam Waterworth 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."

Resolution 3 - Re-Election of Director – Paul Everingham

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

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

Resolution 4 – Issue Options to Chris McLaughlin

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

"That for the purpose of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of a total of 10,000,000 Options to Mr Chris McLaughlin for the purpose and on the terms set out in the Explanatory Statement."

Voting Exclusion Statement – see page 4

Resolution 5 – Issue of Performance Rights to Chris McLaughlin

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

"That for the purpose of Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of a maximum of 3,519,062 Performance Rights to Mr Chris McLaughlin for the purpose and on the terms set out in the Explanatory Statement."

Voting Exclusion Statement – see page 4

Resolution 6 - Issue of Options to Adam Waterworth

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

"That for the purpose of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of a total of 3,000,000 Options to Mr Adam Waterworth for the purpose and on the terms set out in the Explanatory Statement."

Voting Exclusion Statement – see page 4

Resolution 7 - Increase of Director Remuneration Pool

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

"That, pursuant to clause 10.2 of the Company's Constitution and for the purpose of Listing Rule 10.17, the aggregate non-executive Directors' fees be increased by \$200,000 per annum, from \$400,000 per annum to \$600,000 per annum."

Voting Exclusion Statement – see page 5

Resolution 8 - Adoption of New Constitution

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

“That, pursuant to section 136(2) of the Corporations Act, the Constitution of the Company is repealed in its entirety and replaced with the new Constitution as described in the Explanatory Statement and as signed by the Chairman of the Meeting for identification purpose, with effect from the close of the Meeting.”

Resolution 9 - 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 Statements:

Resolution 1 – Remuneration Report

The Company will disregard any votes cast on this Resolution by or on behalf of any Key Management Personnel (“KMP”), associate or other and Closely Related Parties of KMP.

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 the 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, 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
- 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.

Resolutions 4, 5 and 6 - Issue of Securities to Directors

The Company will disregard any votes cast in favour of Resolutions 4, 5 and 6 by or on behalf of:

- Mr McLaughlin or Mr Waterworth as the Resolution pertains to them; or
- 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 entity); or
- Their respective associates

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 the 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 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.

Resolution 7 – Increase to Director Remuneration Pool

The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of:

- Any Director of the Company; or
- Their respective associates.

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 the 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 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.

Dated: 30 September 2022

BY ORDER OF THE BOARD



Catherine Anderson
Company Secretary

Explanatory Statement

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 27 November 2022 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 2022 AGM, this applies to Resolutions 4 – 9 (inclusive).

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 2022 which is online at 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.

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 2022 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 2022 and 2023 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 and Adam Waterworth 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.

Resolution 2 - Election of Adam Waterworth as a Director

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 Waterworth was appointed a Director of the Company on 23 December 2021. Pursuant to the Constitution therefore, Mr Waterworth retires and seeks election accordingly.

A summary of Mr Waterworth's qualifications and experience is as follows:

Adam Waterworth was appointed to the board of Cirrus in December 2021 and has been instrumental in using his deep capital markets experience in working closely with management to reengage with the stock market and its participants.

Adam has over 15 years of professional experience as a consultant, fund manager, investment research analyst and in business development and operations.

After Adam graduated with an honours degree in Electrical Engineering (E-Commerce) and a degree in Commerce from the University of Sydney he joined global investment bank Lazard in an investment analyst role. In 2012 Adam crossed the Nullarbor to join Perth-based boutique investment firm Packer & Co as a fund manager. Since 2021 Adam has been a private investor as well as a consultant providing advice to a number of family offices and large private companies.

Resolution 3 – Re - Election of Director Paul Everingham

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, the Company's Chairman Mr Everingham is required to retire by rotation and seeks re-election accordingly.

A summary of Mr Everingham's qualifications and experience is as follows:

Appointed to the Cirrus Board in July 2018, Paul Everingham took up the Cirrus Chair role almost 12 months ago. In the past 12 months as Chair, Paul has worked closely with management to ensure the successful implementation of a renewed strategic direction.

Paul has previously held numerous senior executive roles in Australian business and government, including: Chief Executive of the Chamber of Minerals & Energy; Founder and Managing Director of GRA Everingham Advisory; and Senior Advisory roles to the Federal Minister for Finance and in the Commonwealth Treasury.

Paul has recently joined the Board of ASX listed Company, Volt Power Group, as a Non-Executive Director. Volt is an innovative Australian industrial equipment provider to the mining, energy, infrastructure and government sectors. Other than this appointment, Paul has not held any other directorships in listed entities during the previous 3 years.

Paul has a Bachelor of Commerce from the University of Queensland; a Post Graduate Diploma in Applied Finance & Investment from the University of NSW; and a Graduate Certificate in Financial Mathematics from the Queensland University of Technology.

Resolution 4 – Issue of Options to Director Chris McLaughlin

Resolution 4 seeks Shareholder approval pursuant to Chapter 2E of the Corporations Act and Listing Rule 10.11, for the issue of a total of 10,000,000 options to Managing Director Chris McLaughlin (or his nominee) (“Options”) in recognition of the excellent results he has achieved for the Company in that role.

The Options will be issued on the same date, but comprise 3 different classes. The terms of each class of Option are identical other than:

1. The exercise price – one third of the total number of options to be issued to Mr McLaughlin will be exercisable at 4.5 cents, one third at 5 cents and the remaining third at 5.5 cents; and
2. Vesting periods – one third of the options will vest on 30 September 2023, the next third on 30 September 2024 and the remaining third on 30 September 2025.

All options will have an expiry date of 30 September 2026. Full terms and conditions of the options to be issued are set out in Annexure A.

Related Party Transaction

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- a. The giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- b. Prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, the Directors are considered to be related parties of the Company and Resolution 3 provides for the grant of Options to a Director, which is a financial benefit that requires Shareholder approval.

It is the view of the Directors that the exceptions set out in sections 210 to 216 of the Corporations Act may not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of these Options to Mr McLaughlin.

Information Requirements

For the purposes of Chapter 2E of the Corporations Act the following information is provided:

ASX Corporate Governance Principles and Recommendations - Primary Purpose

The Directors consider that the incentive represented by the grant of these Options is a cost-effective means of rewarding and incentivising Mr McLaughlin when compared to alternative forms of incentive such as the payment of additional cash compensation. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed.

If this Resolution is not passed, then to ensure that Mr McLaughlin’s cash remuneration remains at market levels then the Company’s cash reserves will be required to be utilised in this regard. Further, the incentivisation provided by these securities will have been lost.

The number of Options to be granted to Mr McLaughlin (or nominee) has been determined based upon consideration of:

- a. Remuneration – the Directors wish to ensure that the remuneration offered is competitive with the market. The Directors have reviewed a selection of comparable companies to determine market conditions generally and consider the proposed number of Options to be granted will ensure that Mr McLaughlin’s overall remuneration is in line with market standards; and
- b. Incentive - the Directors are of the view that Options act as an incentive in the retention of key staff and ensure their continuity of service.

Current Holdings

At the date of this Notice, Mr McLaughlin has a relevant interest in 1,449,426 ordinary shares in the Company, 3,000,000 options at 6 cents and 3,000,000 options at 8 cents with all these options expiring on 31 December 2022.

Remuneration

Mr McLaughlin’s remuneration from the Company for both the full current financial year and the previous financial year (exclusive of statutory superannuation) are set out in the table immediately below:

Current Financial Year	Previous Financial Year
\$330,000	\$250,000 (as COO)

Further details on Mr McLaughlin's remuneration can be found at page 17 in the 2022 Annual Report: <https://www.asx.com.au/asxpdf/20220810/pdf/45cpxfj9xhy2y4.pdf>

The Nature of the Financial Benefit

The proposed financial benefit to be given is the grant of Options for no consideration to Mr McLaughlin. The Options are exercisable on or before the date that is 4 years from their date of issue.

The trading history of the Shares on the ASX in the 12 months before the date of the Notice of Annual General Meeting is:

	Price	Date
Highest	3.7 cents	16 September 2022
Lowest	2.5 cents	10 May 2022
Last	3 cents	28 September 2022

The full terms and conditions of the Options to be granted are set out in Annexure A to this Explanatory Statement. The terms of the options are identical save for the differing exercise prices (4.5 cents, 5 cents and 5.5 cents), and the different vesting periods. They all have the same expiry date of 30 September 2026. The value of the 3 different tranches of Options has been calculated below using the Black-Scholes Option Pricing Model:

Assumptions:			
Valuation Date	30/09/22	30/09/22	30/09/22
Market price of shares	\$0.034	\$0.034	\$0.034
Exercise price	\$0.045	\$0.05	\$0.055

Vesting Date	30/09/23	30/09/24	30/09/25
Expiry date	30/09/26	30/09/26	30/09/26
Risk free interest rate	3.41%	3.41%	3.41%
Volatility	89.97%	89.97%	89.97%
Indicative value per Option	\$0.0206	\$0.0199	\$0.0193
Total Value of Options to be issued to Mr McLaughlin	3,333,333 x \$0.0206 = \$68,866.66	3,333,333 x \$0.0199 = \$66,333.33	3,333,334 x \$0.0193 = \$64,333.35

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

Dilution

If all the options pursuant to this Resolution are granted and are exercised, the Company's Share Capital will be diluted by the issue of these 10,000,000 shares by approximately 1.1% (based on the number of shares on issue at the date of the Notice of Meeting which is 930,006,385), comprising Mr McLaughlin's total relevant interest in shares in the Company increasing by 10,000,000 shares.

Recommendations

The Board (excluding Mr McLaughlin) recommends that Shareholders vote in favour of this Resolution, as Mr McLaughlin is a valuable addition to the Board and as the Managing Director of the Company.

A summary of Mr McLaughlin's qualifications and experience is as follows:

Mr 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, Mr McLaughlin joined IBM in the UK and quickly found his first management position supporting the outsource of IBM Manufacturing to Sanmina-SCI.

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

Mr McLaughlin 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. Mr McLaughlin has also been key in the integration of various acquisitions into Cirrus over the last 5 years.

The Board (other than Mr. McLaughlin) are not aware of any other information that would be reasonably required by shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

ASX Listing Rule 10.11

Listing Rule 10.11 requires shareholders to approve the grant of Options to a Director. Listing Rule 10.11 broadly requires shareholder approval by ordinary resolution to any issue by a listed company of securities to a related party.

Additional Information

For the purposes of Listing Rule 10.13, the following information is provided to shareholders:

- a. The Options will be issued to Mr McLaughlin (or nominee);
- b. Listing Rule 10.14 applies to Mr McLaughlin as he is a Director of the Company and hence a “related party” (Listing Rule 10.11.1);
- c. The maximum number of Options to be issued is 10,000,000 (3.33m of each of 3 classes);
- d. The Options will be issued on a date which will be no later than one month after the date of this General Meeting, or such later date as approved by ASX by waiver;
- e. The Options will be issued for no consideration;
- f. No funds will be raised by the issue of the Options; and
- g. The terms and conditions of the Options are set out in Annexure A to this Explanatory Statement.

Please refer to page 11 above for details of Mr McLaughlin’s current remuneration.

Listing Rule 7.1

As approval of shareholders is being sought pursuant to Listing Rule 10.11, approval under Listing Rule 7.1 is not required.

Voting

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.

Resolution 5 – Issue of Performance Rights to Director Chris McLaughlin

This Resolution seeks approval under Listing Rule 10.14 to issue up to 3,519,062 Performance Rights to Mr McLaughlin in FY22, FY23 and FY24 (each an “Award Year”) under the Plan. At the 2020 annual general meeting, Shareholders approved the adoption of the Plan as part of the Company’s DESOP under which eligible participants could be granted incentive securities subject to satisfaction of various vesting conditions (“Plan”).

General Information

Each Performance Right is a right to acquire one Share in the Company (or an equivalent cash amount if determined by the Board) upon vesting, subject to the achievement of the performance conditions set out below.

Performance Rights do not carry any dividend or voting rights and are non-transferable, except in limited circumstances or with the consent of the Board.

Performance Rights will be tested following the announcements of the Company’s full-year results, which is typically around August each year.

Any Performance Rights that do not vest, following testing at the end of the Performance Period in respect of each Tranche, will rollover for re-assessment to the next available testing date. Unvested Performance Rights will lapse after the final vesting date.

Proposed Performance Rights Terms

The terms of the Performance Rights proposed for Mr McLaughlin are as follows:

Instrument and Rationale	Performance Rights which vest when performance conditions have been satisfied. These instruments were chosen because they allow the Company to offer employees equity as part of remuneration that is aligned with current market best-practices, tax and regulatory requirements in a range of circumstances												
Number of Performance Rights	<p>It is proposed that Mr McLaughlin will be invited to apply for 3,519,062 Performance Rights, with the number calculated as follows:</p> <p style="text-align: center;">\$120,000 / Value of the Right</p> <p><i>Where the value of the right is equal to the Face value of the Cirrus Share Price calculated by a 30-day VWAP to 30 September 2022 (\$0.0341).</i></p> <p>When added to the other remuneration elements the FY22 grant of Rights will produce a total remuneration package that is market competitive and appropriate given the Company’s circumstances, based on market benchmarking and the Company's current executive remuneration policy.</p>												
Term	Each Performance Right has a Term of 3 years. Board discretion in the event of termination of employment or change of control event.												
Measurement Period	The Measurement Period is the period over which Vesting Conditions are assessed. The Measurement Period will be annually on 30 September from 1 October 2022 to 30 September 2025.												
Price	No amount is payable by Mr McLaughlin for the Performance Rights as their value forms a significant portion of the variable remuneration in his total package for FY23. No Exercise Price applies to the Performance Rights.												
Vesting Conditions	<p>The Performance Rights will vest based on Share Price compound annual growth rate (CAGR) over a three-year Measurement Period from 1 October 2022 to 30 September 2025.</p> <table><tr><td></td><th colspan="3">Vesting Date</th></tr><tr><th>Performance Level</th><th>31-10-23</th><th>31-10-24</th><th>31-10-25</th></tr><tr><td>CAGR of CNW share price >15%</td><td>1/3 of Performance Rights</td><td>1/3 of Performance Rights</td><td>1/3 of Performance Rights</td></tr></table> <p>Performance Rights will be tested based on the Measurement Period with the Share Price for each measurement period being the 30-day VWAP to 30 September. Any Performance Rights that do not vest, following testing at the end of the Measurement Period in respect of each Tranche, will rollover for re-assessment to the next available testing date. All Vested Performance Rights are exercised on the final vesting date. Unvested Performance Rights will lapse after the final vesting date.</p>		Vesting Date			Performance Level	31-10-23	31-10-24	31-10-25	CAGR of CNW share price >15%	1/3 of Performance Rights	1/3 of Performance Rights	1/3 of Performance Rights
	Vesting Date												
Performance Level	31-10-23	31-10-24	31-10-25										
CAGR of CNW share price >15%	1/3 of Performance Rights	1/3 of Performance Rights	1/3 of Performance Rights										

In the event of any inconsistency between the above terms and the Plan, the terms of the Plan shall prevail.

Related Party Transactions

All statements made and information given on pages 9 – 11 above in relation to related party transactions; ASX Corporate Governance Principles; Mr McLaughlin's current share and option holdings and his remuneration; the implications of the Resolution not being passed and the nature of the financial benefit being granted with respect to Resolution 4 dealing with the proposed grant of

options to Mr McLaughlin, also apply in relation to this Resolution relating to proposed Performance Rights, and are deemed to be repeated with respect to this Resolution in their entirety.

Further details on Mr McLaughlin's remuneration can be found at page 17 in the 2022 Annual Report: <https://www.asx.com.au/asxpdf/20220810/pdf/45cpxfj9xhy2y4.pdf>

Dilution

If all Performance Rights proposed to be granted are converted into ordinary shares, the Company's Share Capital will be diluted by the issue of 3,519,062 shares by approximately .38% (based on the number of shares on issue at the date of the Notice of Meeting which is 930,006,385), comprising Mr McLaughlin's total relevant interest in shares in the Company increasing by 3,519,062 shares.

Director Recommendation

The Board (excluding Mr McLaughlin) recommends that Shareholders vote in favour of this Resolution as Mr McLaughlin is a valuable addition to the Board and as the Managing Director of the Company. Mr McLaughlin's qualifications and experience are set out above in relation to Resolution 4.

Listing Rule 10.14

In accordance with Listing Rule 10.14, the Company must not permit a Director and any of his or her Associates to acquire securities under an employee incentive scheme unless it obtains shareholder approval.

Performance Rights are securities under Listing Rule 19.12 and Mr McLaughlin is a Director. The Company is therefore seeking Shareholder approval by this Resolution under Listing Rule 10.14 for the issue of Performance Rights to Mr McLaughlin.

Additional Information

In accordance with Listing Rule 10.15, information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- a. The Performance Rights will be granted to Mr McLaughlin.
- b. Listing Rule 10.14 applies to Mr McLaughlin as he is a Director of the Company and hence a "related party" (Listing Rule 10.14.1).
- c. The maximum number of Performance Rights to be granted to Mr McLaughlin is 3,519,062 with a maximum value of \$120,000.
- d. The Performance Rights will be issued for nil consideration and the exercise price of the Performance Rights will be nil consideration.
- e. Since the Plan was approved by Shareholders at the 2020 annual general meeting, no person has been issued any Performance Rights under the Plan.
- f. A voting exclusion statement is included in this Notice for this Resolution.
- g. No loan will be made to Mr McLaughlin in relation to the acquisition of Performance Rights under the Plan.
- h. Details of any securities issued under the Plan will be published in each annual report of the Company relating to a period in which securities have been issued under the Plan, with a statement that approval for the issue of securities was obtained under Listing Rule 10.14.
- i. Any additional persons (to whom Listing Rule 10.14 applies) who become entitled to participate in the Plan after approval of this Resolution and who are not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

- j. The Company will grant the Performance Rights no later than 3 years after the date of this AGM.

Please refer to page 11 above for details of Mr McLaughlin's current remuneration.

Listing Rule 7.1

As approval of shareholders is being sought pursuant to Listing Rule 10.14, approval under Listing Rule 7.1 is not required.

Voting

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.

Resolution 6 – Issue of Options to Director Adam Waterworth

Resolution 6 seeks Shareholder approval pursuant to Chapter 2E of the Corporations Act and Listing Rule 10.11, for the issue of a total of a total of 3,000,000 options to non-Executive Director Adam Waterworth (or his nominee) ("Options") in recognition of the excellent results he has achieved for the Company in that role.

The Options will be issued on the same date, but comprise 3 different classes. The terms of each class of Option are identical other than:

1. The exercise price – one third of the total number of options to be issued to Mr Waterworth will be exercisable at 4.5 cents, one third at 5 cents and the remaining third at 5.5 cents; and
2. Vesting periods – one third of the options will vest on 30 September 2023, the next third on 30 September 2024 and the remaining third on 30 September 2025.

All options will have an expiry date of 30 September 2026. Full terms and conditions of the options to be issued are set out in Annexure A.

Related Party Transactions

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- a. The giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- b. Prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, the Directors are considered to be related parties of the Company and Resolution 3 provides for the grant of Options to a Director, which is a financial benefit that requires Shareholder approval.

It is the view of the Directors that the exceptions set out in sections 210 to 216 of the Corporations Act may not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of these Options to Mr Waterworth.

Information Requirements

For the purposes of Chapter 2E of the Corporations Act the following information is provided:

ASX Corporate Governance Principles and Recommendations - Primary Purpose

The Company recognises that the grant of Options to a non-executive Director would not comply with Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations.

The Directors consider that the incentive represented by the grant of these Options is a cost-effective means of rewarding and incentivising Mr Waterworth. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed.

If this Resolution is not passed, then to ensure that Mr Waterworth's cash remuneration remains at market levels then the Company's cash reserves will be required to be utilised in this regard. Further, the incentivisation provided by these securities will have been lost.

The number of Options to be granted to Mr Waterworth (or nominee) has been determined based upon consideration of:

- a. Remuneration – the Directors wish to ensure that the remuneration offered is competitive with the market. The Directors have reviewed a selection of comparable companies to determine market conditions generally and consider the proposed number of Options to be granted will ensure that Mr Waterworth's overall remuneration is in line with market standards; and
- b. Incentive - the Directors are of the view that Options act as an incentive in the retention of Board members and ensure their continuity of service.

Current Holdings

At the date of this Notice, Mr Waterworth has a relevant interest in 51,182,916 ordinary shares in the Company, representing 5.5% of the Company's issued capital.

Remuneration

The remuneration and emoluments from the Company to Mr Waterworth for both the full current financial year and the previous financial year (exclusive of statutory superannuation) are set out in the table immediately below:

Current Financial Year	Previous Financial Year
\$100,000 (effective 01/10/2022)	\$34,192 (appointed 23/12/2021)

Further details on Mr Waterworth's remuneration can be found at page 18 in the 2022 Annual Report: <https://www.asx.com.au/asxpdf/20220810/pdf/45cpxfj9xhy2y4.pdf>

The Nature of the Financial Benefit

The proposed financial benefit to be given is the grant of Options for no consideration to Mr Waterworth. The Options are exercisable on or before the date that is 4 years from their date of issue.

The trading history of the Shares on the ASX in the 12 months before the date of the Notice of Annual General Meeting is:

	Price	Date
Highest	3.7 cents	16 September 2022
Lowest	2.5 cents	10 May 2022
Last	3 cents	22 September 2022

The full terms and conditions of the Options to be granted are set out in Annexure A to this Explanatory Statement. The terms of the options are identical save for the differing exercise prices (4.5 cents, 5 cents and 5.5 cents), and the different vesting periods. They all have the same expiry date of 30 September 2026. The value of the 3 different tranches of Options has been calculated below using the Black-Scholes Option Pricing Model:

Assumptions:			
Valuation Date	30/09/2222	30/09/22	30/09/22
Market price of shares	\$0.034	\$0.034	\$0.034
Exercise price	\$0.045	\$0.05	\$0.055
Vesting Date	30/09/23	30/09/24	30/09/25
Expiry date	30/09/26	30/09/26	30/09/26
Risk free interest rate	3.41%	3.41%	3.41%
Volatility	89.97%	89.97%	89.97%
Indicative value per Option	\$0.0206	\$0.0199	\$0.0193
Total Value of Options to be issued to Mr Waterworth	1,000,000 x \$0.0206 = \$20,600	1,000,000 x \$0.0199 = \$19,900	1,000,000 x \$0.0193 = \$19,300

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

Dilution

If all the options pursuant to this Resolution are granted and are exercised, the Company's Share Capital will be diluted by the issue of these 3,000,000 shares by approximately .3% (based on the number of shares on issue at the date of the Notice of Meeting which is 930,006,385), comprising Mr Waterworth's total relevant interest in shares in the Company increasing by 3,000,000 shares.

Recommendations

The Board (excluding Mr Waterworth) recommends that Shareholders vote in favour of this Resolution, as Mr Waterworth is a valuable addition to the Board. A summary of Mr Waterworth's qualifications and experience is set out above in relation to Resolution 2 and his election to the Board.

ASX Listing Rule 10.11

Listing Rule 10.11 requires shareholders to approve the grant of Options to a Director. Listing Rule 10.11 broadly requires shareholder approval by ordinary resolution to any issue by a listed company of securities to a related party.

Additional Information

For the purposes of Listing Rule 10.13, the following information is provided to shareholders:

- a. The Options will be issued to Mr Waterworth (or nominee);
- b. Listing Rule 10.14 applies to Mr Waterworth as he is a Director of the Company and hence a “related party” (Listing Rule 10.11.1).
- c. The maximum number of Options to be issued is 3,000,000 (1m of each of 3 classes);
- d. The Options will be issued on a date which will be no later than one month after the date of this General Meeting, or such later date as approved by ASX by waiver;
- e. The Options will be issued for no consideration;
- f. No funds will be raised by the issue of the Options; and
- g. The terms and conditions of the Options are set out in Annexure A to this Explanatory Statement.

Please refer to page 18 above for details of Mr Waterworth’s current remuneration.

Listing Rule 7.1

As approval of shareholders is being sought pursuant to Listing Rule 10.11, approval under Listing Rule 7.1 is not required.

Voting

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.

Resolution 7 - Increase of Director Remuneration Pool

This Resolution seeks Shareholder approval for an increase in fees for the non-executive Directors. The current ceiling for non-executive Directors is \$400,000 per annum which was last approved by Shareholders at the 2019 AGM.

The Company currently has 3 non-Executive Directors. Fees paid out of the maximum amount approved by Shareholders are reviewed from time to time to ensure they are appropriate. Shareholder approval is sought for an increase of \$200,000 per annum to an upper limit of \$600,000 per annum, which will provide the Company with flexibility in appointing new Directors in the future and allow for payment of appropriate fees over time.

The proposed increase will also accommodate any increase in the number of Directors should this be considered desirable and ensure that the fees are sufficiently competitive to attract and retain Directors of the necessary qualifications and calibre.

If this Resolution is not passed, it may limit the Company in appointing new Board members whose skills and experience will be of benefit to the Company and/or in retaining existing Board members.

Rule 10.2(a)(i) of the Company’s Constitution states that the remuneration of non-executive directors shall “not in any year exceed the aggregate amount last fixed by ordinary resolution”. This Rule is repeated at clause 7.8(a) in the proposed new Constitution for the Company being dealt with at Resolution 8.

ASX Listing Rule 10.17 states that a listed company must not increase the total aggregate amount of directors' fees payable to all its non-executive directors without Shareholder approval by ordinary resolution. Listing Rule 10.17A reflects the Company's Constitution in providing that the total aggregate amount of director's fees paid by a listed company must not exceed the total amount approved by its Shareholders under Listing Rule 10.17.

Details of all securities issued to non-executive Directors under Listing Rule 10.11 or 14 with the approval of ordinary shareholders within the preceding 3 years is as follows:

Director	Options at 7 cents, expiring 11/11/23*	Options at 9 cents, expiring 11/11/23*
Paul Everingham	1,250,000	1,250,000

* Approved by Shareholders at the 2019 AGM.

As the non-executive Directors have an interest in the outcome of this Resolution, they consider it would not be appropriate to make a recommendation to Shareholders as to how to vote in relation to this Resolution. As stated in the Notice of AGM, any votes cast in respect of this resolution by any Director and any of their associates, will be disregarded, except as stated in the Notice of AGM.

Voting

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.

Resolution 8 – Adoption of New Constitution

General Information

Section 136(2) of the Corporations Act allows a Company to make amendment to its Constitution by a special resolution passed at a general meeting of the Company. A special resolution must be passed by at least 75% of the votes cast by Shareholders who are entitled to vote on the resolution.

The current Constitution of the Company was adopted in 2007 and apart from a modification in 2020 to replace Rule 29.4 with one consistent with changes to the ASX Listing Rules regarding escrowed securities, and a change in 2019 to increase the total remuneration pool for Directors from \$250,000 pa to \$400,000 pa, there have been no other changes.

The Board is of the view that the Constitution should be updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules; to include a proportionate takeover provision under section 684D of the Corporations Act; and to specifically permit hybrid and wholly virtual meetings of Shareholders. Apart from these matters, there are no other material changes proposed.

The Board also wishes to increase the total remuneration pool for Directors to \$600,000pa pursuant to Resolution 7 at the Meeting, and if passed this will also be reflected in the new Constitution. With the new Constitution will become effective as at the close of this meeting (or any adjournment thereof). Please refer to the information set out above in relation to resolution 7 for further details.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions. The majority of the amendments are not material nor will they have any significant impact on Shareholders.

Material Change - Partial (Proportional) Takeover Provisions (new Schedule 5)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

1. Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

2. Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle and assist in ensuring that any partial bid is appropriately priced.

3. Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

4. Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- a. The right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- b. Assisting in preventing Shareholders from being locked in as a minority;
- c. Increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and

- d. Each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- a. Proportional takeover bids may be discouraged;
- b. Lost opportunity to sell a portion of their Shares at a premium; and
- c. The likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution

Shareholders may request a copy of the proposed new Constitution by emailing the Company Secretary (catherine.anderson@cirrusnetworks.com.au).

Voting

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.

Resolution 9 - 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. Under these tests, the Company is an eligible entity.

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, in particular the acquisition or investment in businesses strategically aligned or complementary to the current business of the Company.

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.

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.

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 930,006,385 shares. Assuming this Resolution is approved, the Company will have a capacity to issue: 139,500,957 (15%) Equity Securities under Listing Rule 7.1; and 93,000,638 (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.

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 22/9/22)	\$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 (50% increase)	Shares Issued	139,500,957 shares	139,500,957 shares	139,500,957 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.

Previous Listing Rule 7.1A approval

The Company obtained approval for its Shareholders pursuant to ASX Listing Rule 7.1A at its 2022 AGM. The Company has not issued any fully paid ordinary shares pursuant to this previous approval, nor have any of its options been exercised. Further the Company has not entered into any agreement to issue, but has not yet issued, any securities under Listing Rule 7.1A.

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

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

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 29 November 2022.

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.

Performance Right means a performance right that is issued pursuant to the Plan.

Plan means the employee incentive plan titled Directors' and Employees' Share Option and Performance Rights Plan adopted at the Company's 2020 annual general meeting.

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 2022.

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.

ANNEXURE A – TERMS AND CONDITIONS OF OPTIONS (Resolutions 4 & 6)

The Options granted will entitle the holder to subscribe for and be issued Shares as follows:

- (a) A certificate will be issued for the Options.
- (b) The Options will lapse upon the first to occur of the expiry date, being 5.00pm Australian Western Standard Time on 30 September 2026, or the holder acting fraudulently or dishonestly in relation to the Company.
- (c) Subject to condition (k) the Option is a right in favour of the option holder to subscribe for one fully paid ordinary share in the capital of the Company ("Share").
- (d) The amount payable on exercise of each Option will be [4.5c/5c/5.5c as applicable] ("Price").
- (e) Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the option holder to:
 - (i) Exercise all or a specified number of Options; and
 - (ii) Pay the subscription monies in full for the number of Options being exercised.
- (f) The notice must be accompanied by an Option certificate and is only effective when the Company has received the relevant aggregate amount of the exercise Price in cleared funds. An exercise of only some Options shall not affect the rights of the option holder to the balance of the Options held by the Option holder and the Company will, following partial exercise, issue a new Option certificate for the balance of Options remaining.
- (g) The Company shall issue the resultant Shares and deliver the share certificate or holding statement within five business days of exercise of an Option.
- (h) Options may not be transferred other than to an associate of the holder.

- (i) Shares issued pursuant to an exercise of Options shall rank, from the date of their issue, equally with existing ordinary fully paid Shares of the Company in all respects.
- (j) The Company will not apply for quotation of the Options on ASX, however, the Company shall in accordance with the Listing Rules make application to have Shares issued pursuant to an exercise of Options listed for official quotation.
- (k) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the authorised or issued capital of the Company, the number of the Options or the exercise price of the Options or both shall be reconstructed (as appropriate) in accordance with the Listing Rules.
- (l) The Options will not give any right to participate in dividends until Shares are issued pursuant to the exercise of the relevant Options
- (m) The Options do not give any right to participate in new issues unless the option holder exercises the Option.
- (n) Subject to condition (k), 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 Options can be exercised.
- (o) Notwithstanding the requirement to pay the exercise Price for Options in accordance with these terms, upon exercising some or all of their Options, the Board may, in its sole and absolute discretion, permit the Participant, to elect to pay the Exercise Price by using a cashless exercise facility on such terms as the Board determines.