

# Corporate Governance

## ASX PRINCIPLES OF GOOD CORPORATE GOVERNANCE

The Company, as a listed entity, must comply with the Corporations Act 2001 (Cth) (“Corporations Act”), the Australian Securities Exchange Limited (“ASX”) Listing Rules (“ASX Listing Rules”) and other Australian laws.

To the extent applicable, the Company has adopted the 3rd edition of The Corporate Governance Principles and Recommendations (“Recommendations”) as published by the ASX Corporate Governance Council.

ASX Listing Rule 4.10.3 requires ASX listed companies to report on the extent to which they have followed the Recommendations and require the Board to consider carefully the development and adoption of appropriate corporate governance policies and practices founded on the same.

## ACCESS TO INFORMATION ON THE WEBSITE

Further information about the Company's corporate governance practices is set out on the Company's website at [www.cirrusnetworks.com.au](http://www.cirrusnetworks.com.au). In accordance with the Recommendations, information published on the Company's website includes charters (for the Board and its Committees), the Company's code of conduct and other policies and procedures relating to the Board and its responsibilities.

## COMPLIANCE WITH ASX PRINCIPLES OF GOOD CORPORATE GOVERNANCE

Commensurate with the spirit of the Recommendations, the Company has followed each recommendation where the Board has considered it to be an appropriate benchmark for corporate governance practices, taking into account factors such as the size of the Company and the Board, resources available and the activities of the Company. Where, after due consideration, the Company's corporate governance practices depart from the Recommendations, the Board has offered full disclosure of the nature of, and reason for, the adoption of its own practice.

### 1. THE BOARD OF DIRECTORS

#### a) Board composition and expertise

The Board has an expansive range of relevant industry experience, financial and other skills and expertise to meet its objectives.

Election of Board members is substantially the province of the Shareholders in general meetings, with the Company being committed to the following principles:

- The Board is to comprise persons with a blend of skills, experience and attributes appropriate for the Company and its business; and
- The principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

No formal nomination committee or procedures have been adopted for the identification, appointment and review of the Board's membership, but an informal assessment process, facilitated in consultation with the Company's professional advisors, has been committed to by the Board.

The Board at the end of the Reporting Period comprised of one Managing Director, one Non-Executive Chairman and two other Non-Executive Directors.

Details on each of the director's backgrounds including experience, knowledge and skills and their status as an independent or non-independent director are set out in the directors' report.

**b) Board role and responsibilities**

The roles and responsibilities of the Board are formalised in the Board Charter. The Board Charter defines in detail the matters that are reserved for the Board and its committees, and those that the Board has delegated to management. The central role of the Board is to oversee and approve the company's strategic direction, to select and appoint a Managing Director ("MD"), to oversee the Company's management and business activities and report to Shareholders.

The goals of the corporate governance processes are to:

- Maintain and increase Shareholder value;
- Ensure a prudential and ethical basis for the Company's conduct and activities; and
- Ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- Developing initiatives for profit and asset growth;
- Reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- Acting on behalf of, and being accountable to, the Shareholders; and
- Identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board's discussions on a fully-informed basis.

The Board also recognises its responsibilities to the Company's personnel, the communities and environments within which the Company operates and, where relevant, other stakeholders.

Responsibility for management of the Company's business activities is delegated to the Managing Director who is accountable to the Board.

**c) Chairman**

The Chairman is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for the promotion of relations between Board members and between Board and management that are open, cordial and conducive to productive co-operation.

Mr Andrew Milner was appointed Non-Executive Chairman of the Company on 2 July 2015.

**d) Director independence**

The Board has approved a policy on independence of Directors, a copy of which is available in the corporate governance section of the Company's website.

The policy provides that the independence of a Director will be assessed by determining whether the Director is independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

The test of whether a relationship or business is material is based on the nature of the relationship or business and on the circumstances and activities of the director. Materiality is considered from the perspective of the Company, the persons or organisations with which the Director has an affiliation and from the perspective of the Director. Materiality thresholds are considered by the Board from time to time. The Board considers that:

A supplier is material if the Company accounts for more than 5% of the supplier's consolidated gross revenue;

- A substantial shareholder of the Company is someone who holds greater than 5% of the voting capital of the Company; and
- Service on the Board for a period exceeding 10 years is a period which could, or could reasonably be perceived to, materially interfere with a director's ability to act in the best interests of the Company.

In the event that one or more of these thresholds is exceeded, the Board then focuses on whether or not in their view that impacts materially on the independent judgement of the Director.

On appointment, each Director is required to provide information for the Chairman to assess and confirm their independence as part of their consent to act as a Director.

The Chairman has considered the associations of each of the Non-Executive Directors in office at the date and considers that all Non-Executive Directors are considered independent.

**e) Directors' retirement and re-election**

The Company's Constitution states that at each annual general meeting ("AGM") one of its Directors (excluding the Managing Director and any director appointed to fill a casual vacancy) and any director who has held office for three or more years since their last election must retire. At least one non-executive Director must stand for election at each AGM.

Any Director appointed to fill a casual vacancy since the date of the previous AGM must submit themselves to shareholders for election at the next AGM. Directors who retire as required may offer themselves for re-election by shareholders at the next AGM. Re-appointment of Directors retiring by rotation or filling a casual vacancy is not automatic.

**f) Board succession planning**

The Board in conjunction with the Remuneration and Nominations Committee reviews the size and composition of the Board and the mix of existing and desired competencies across members from time to time. Criteria considered by the Directors when evaluating prospective candidates are contained in the Board's Charter

**g) Board performance evaluation**

The Board undertakes ongoing self-assessment and review of performance of the Board, committees and individual Directors annually. The Chairman of the Board is responsible for determining the process for evaluating Board performance. The Chairman's performance is reviewed each year by the other members of the Board.

**h) Nominations and appointment of new directors**

Recommendations for nomination of new Directors are considered by the Remuneration and Nominations Committee and approved by the Board as a whole. The Remuneration and Nominations Committee reviews director appointments having regard to the candidate's commercial experience, skills and other qualities. External consultants may be used from time to time to access a wide base of potential Directors. Further information on the Remuneration and Nominations Committee is set out below.

**i) Professional advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

**j) Conflicts of interest**

Directors are required to disclose any actual or potential conflict or material personal interests on appointment as a Director and are required to keep these disclosures up to date.

In the event that there is, or may be, a conflict between the personal or other interests of a Director, then the Director with an actual or potential conflict of interest in relation to a matter before the Board does not receive the Board papers relating to that matter. When the matter comes before the Board for discussion, the Director withdraws from the meeting for the period the matter is considered and takes no part in the discussion or decision-making process.

**k) Terms of appointment, induction training and continuing education**

All new Directors are provided with a formal letter of appointment setting out the key terms and conditions of the appointment, including duties, rights and responsibilities, the time commitment envisaged and the Board's expectations regarding their involvement with committee work. An induction folder is provided to all new Directors. It includes a copy of the Constitution, board and committee charters and key Company policies.

All Directors are expected to maintain the skills required to discharge their obligations to the Company. Directors are encouraged to undertake continuing professional education and where this involves industry seminars and approved education courses, this is paid for by the Company where appropriate. A Directors' Skills Matrix is contained in the Directors' Report.

**l) Directors' remuneration**

Details of remuneration paid to Directors (Chairman and non-executive) are set out in the remuneration report. The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$400,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board will review and approve the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

Further information on the Remuneration Committee is set out below.

**m) Board meetings**

The Chairman sets the agenda for each meeting in conjunction with the executive management and the Company Secretary. Any Director may request additional matters be added to the agenda. Members of senior management attend meetings of the Board by invitation and sessions are also held for non-executive Directors to meet without management present.

Copies of Board papers are circulated in advance of the meetings in either electronic or hard copy form. Directors are entitled to request additional information where they consider the information is necessary to support informed decision making.

The Board works to an agenda encompassing periodic reviews of the Company's operating business units, recurring statutory obligations, business approvals, strategy and other responsibilities identified in the Board Charter.

**n) Company Secretary**

Responsibilities for the secretarial function include providing advice to directors and executives on corporate governance and regulatory matters, developing the Company's corporate governance framework and giving effect to the Board's decisions. All directors have access to advice from the Company Secretary.

The Company Secretary is Catherine Anderson. Ms Anderson is a legal practitioner admitted in Western Australia and Victoria and has over 25 years' experience in both private practice and in house legal roles from working in Melbourne and Perth.

Catherine also has experience in company secretarial roles for ASX listed companies, as well as having been a director of an ASX listed junior explorer. She currently also provides consultancy services to entities wishing to proceed to IPO and listing on ASX and has twice been nominated for the Telstra Business Woman of the Year Award for an online retail business she established.

## 2. BOARD COMMITTEES

### a) Board committees and membership

During the reporting period, the Board had a maximum of five and a minimum of three members but continued to maintain two committees to assist in the discharge of its responsibilities. These are the:

- i. Audit and Risk Management Committee; and
- ii. Remuneration and Nominations Committee.

As at the date of this Report, the Company has 4 Directors.

The charters of all Board committees detailing the roles and duties of each are available in the corporate governance section of the Company's website. All Board committee charters are reviewed at least annually.

During the reporting period and while the relevant person remained a Director of the Company the membership of each Board committee was as follows:

AUDIT AND RISK MANAGEMENT COMMITTEE	REMUNERATION AND NOMINATIONS COMMITTEE
Andrew Milner	Andrew Milner (Chairman)
Daniel Rohr (Chairman)	Daniel Rohr
Paul Everingham	Paul Everingham

Committee members are chosen for the skills, experience and other qualities they bring to the committees. The executive management attends, by invitation, board committee meetings. Any papers considered by the standing committees are available on request to Directors who are not on that committee.

Following each committee meeting, generally at the next Board meeting, the Board is given a verbal update by the Chair of each committee. In addition, minutes of all committee meetings are provided to all Directors. The Company Secretary provides secretariat services for each committee.

Other committees are convened to address major transactions or other matters calling for special attention. This did not occur in this reporting period.

### b) Audit and Risk Management Committee

The role of the Audit and Risk Management Committee is to assist the Board to meet its oversight responsibilities in relation to the Company's financial reporting, internal control structure, financial and operational risk management procedures and the internal and external audit function. In doing so, it is the Committee's responsibility to maintain free and open communication between the Committee and the external auditors and the management of the Company.

The duties of this Committee include but are not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

The Audit and Risk Management Committee is required to have a minimum of three members composed of independent non-executive Directors.

The external auditors and Managing Director attend Committee meetings by invitation.

This Committee met twice during the reporting period.

**c) Remuneration and Nominations Committee**

The role of the Remuneration and Nominations Committee is to assist the Board by reviewing and approving the Company's remuneration policies and practices and the appointment of non-executive Directors to the Board. The Committee's responsibilities include:

- Assessing the necessary and desirable competencies of Board members;
- Reviewing Board succession plans and Board performance;
- Reviewing the Company's remuneration framework, which is used to attract, retain and motivate employees to achieve operational excellence and create value for shareholders;
- Reviewing the remuneration packages and incentive schemes for the Managing Director and senior executives, to establish rewards, which are fair and responsible, having regard to the financial results of the group, individual performance and general remuneration conditions;
- Reviewing the performance and succession planning for the Managing Director and senior executives;
- Reviewing the Company's corporate governance policies and practices.
- The Managing Director attends committee meetings by invitation

This Committee met once during the reporting period.

### **3. AUDIT GOVERNANCE AND INDEPENDENCE**

**a) Approach to audit and governance**

The Board is committed to the basic principles that:

- The Company's financial reports represent a true and fair view;
- The Company's accounting practices are comprehensive, relevant and comply with applicable accounting standards and policies; and
- The external auditor is independent and serves shareholder's interests.

**b) External auditor relationship**

The Company's independent external auditor is BDO Audit (WA) Pty Limited ("BDO"). BDO was appointed by shareholders at the 2015 Annual General Meeting in accordance with the Corporations Act.

**c) Attendance of auditor at the AGM**

The Company's external auditor attends the AGM and is available to answer questions from shareholders on:

- The conduct of the audit;
- The preparation and content of the auditor's report;
- The accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- The independence of the auditor in relation to the conduct of the audit.

#### 4. CONTROLLING AND MANAGING RISK

##### a) Approach to risk management

The Board and senior executives are responsible for overseeing the implementation of the Company's Risk Management Policy.

The Company's approach to risk management is based on the identification, assessment, monitoring and management of material risks embedded in its business and management systems. This framework is based on the Australian Standards for Risk Management.

The Company's management team is responsible for implementation of the Board approved risk management strategy and developing policies, processes and procedures to identify risks and mitigation strategies in the Company's activities.

##### b) Managing Director and accounting assurance on corporate reporting

The Board receives regular reports about the financial condition and operational results of the Company and its controlled entities.

The Managing Director and the Company accountants provide, at the end of each six-monthly period, a formal statement to the Board confirming that the Company's financial reports present a true and fair view, in all material respects, and the group's financial condition and operational results have been prepared accordance with the relevant accounting standards.

The statement also confirms the integrity of the Company's financial statements and Notes to the Consolidated Financial Statements, is founded on a sound system of risk management and internal compliance and control which implements the policies approved by the Board, and that the Company's risk management and internal compliance and control systems, to the extent they relate to financial reporting, are operating efficiently and effectively in all material respects.

#### 5. PROMOTING ETHICAL AND RESPONSIBLE BEHAVIOUR

##### a) Codes of conduct

The Board has approved a Code of Conduct which describes the standards of ethical behaviour that the Directors and employees are required to maintain.

Compliance with the Code of Conduct by Directors and employees will also assist the Company in effectively managing its operating risks and meeting its legal and compliance obligations, as well as enhancing the Company's corporate reputation.

The Code of Conduct describes requirements on matters such as confidentiality, conflicts of interest, sound employment practices, compliance with laws and regulations and the protection and proper use of the Company's assets.

The Code of Conduct can be viewed on the Company's website.

##### b) Share trading policy

The Company's Securities Trading Policy ("Policy") is binding on all Directors and employees. The Policy provides a summary of the law on insider trading and other relevant laws, sets out the restrictions on dealing in securities by people who work for, or are associated with, the Company and is intended to assist in maintaining market confidence in the integrity of dealings in the Company's securities.

The Policy stipulates that the only appropriate time for a Director or employee to deal in the Company's securities is when he or she is not in possession of 'price sensitive information' that is not generally available to the share market.

A Director wishing to deal in the Company's securities may only do so after first having advised the Chairman of their intention to do so. A senior executive wishing to deal must first notify the Managing Director. Confirmation of any dealing must also be given by the director or senior executive within two business days after the dealing and advised to the Company Secretary.

**b) Share trading policy (cont)**

In the case of other employees, contractors, consultants and advisers, there is no notification requirement.

Directors and senior executives' dealings in the Company's securities are also subject to specified closed periods, which are set out in the Policy or as otherwise determined by the Board from time to time. The Policy can be viewed on the Company's website.

## **6. CORPORATE RESPONSIBILITY AND SUSTAINABILITY**

The Company aims to produce positive outcomes for all stakeholders in managing its business and to maximise financial, social and environmental value from its activities.

In practice, this means having a commitment to transparency, fair dealing, responsible treatment of employees and customers and positive links into the community.

Sustainable and responsible business practices within the Company are viewed as an important long-term driver of performance and Shareholder value. Through such practices, the Company seeks to reduce operational and reputation risk and enhance operational efficiency while contributing to a more sustainable society.

The Company accepts that the responsibilities on the Board and management, which flow from this approach, go beyond strict legal and financial obligations. The Board seek to take a practical and broad view of directors' fiduciary duties, in line with stakeholders' expectations.

## **7. CONTINUOUS DISCLOSURE**

The Company is committed to maintaining a level of disclosure that meets the highest standards and provides all investors with timely and equal access to information.

The Company's Continuous Disclosure Policy reinforces the Company's commitment to ASX continuous disclosure requirements and outlines management's accountabilities and the processes to be followed for ensuring compliance. The policy also describes the Company's guiding principles for market communications. The Company's Continuous Disclosure Policy can be viewed on the Company's website.

## **8. SHAREHOLDER COMMUNICATIONS AND PARTICIPATION**

The Company is committed to giving all Shareholders comprehensive, timely and equal access to information about its activities so that they can make informed decisions. Similarly, prospective new investors are entitled to be able to make informed investment decisions when considering the purchase of the Company's shares.

A wide range of communication approaches are employed including direct communications with Shareholders and presentations to Shareholders at the company's Annual General Meeting. Publication of all relevant Company information, including the Company's Annual Report is in the "Investors" section of the Company's website. Shareholders have the opportunity to receive information in print or electronic format.

The Company strive to communicate effectively with Shareholders and give them ready access to balanced and understandable information about the Company. The way it does this includes:

- Ensuring that financial reports are prepared in accordance with applicable laws;
- Ensuring the disclosure of full and timely information about the Company's activities in accordance with the continuous disclosure principles of the ASX Listing Rules and the Corporations Act 2001.
- The Chairman and Managing Director being present at the Company's Annual General Meeting;
- Placing all ASX announcements (including financial reports) on the Company's website as soon as practicable following release; and
- Ensuring that reports, notices of meeting and other Shareholder communications are prepared in a clear and concise manner.

## 9. DIVERSITY POLICY

The Company has in place a Diversity Policy.

The Board is committed to workplace diversity and is responsible for developing measurable objectives and strategies to meet the Objectives of the Diversity Policy (Measurable Objectives) and monitoring the progress of the Measurable Objectives through the monitoring, evaluation and reporting mechanisms listed below.

The Board will conduct all Board appointment processes in a manner that promotes gender diversity, including establishing a structured approach for identifying a pool of candidates, using external experts where necessary.

The Company's diversity strategies include:

- a) Recruiting from a diverse pool of candidates for all positions, including senior management and the various subsidiary company boards;
- b) Reviewing succession plans to ensure an appropriate focus on diversity;
- c) Identifying specific factors to take account of in recruitment and selection processes to encourage diversity;
- d) Developing programs to develop a broader pool of skilled and experienced senior management and board candidates, including, workplace development programs, mentoring programs and targeted training and development; and
- e) Developing a culture which takes account of domestic responsibilities of employees.

As at 30 June 2021, the Board consisted of 4 male members and no female members. The Company Secretary is female.

As at 30 June 2021, the Company had 180 staff, of which 140 were male (FY20:164) and 40 were female (FY20:39)

## ASX RECOMMENDATION AND PRINCIPLES COMPLIANCE TABLE

Set out below is a table describing the various ASX Principles and statements as to the Company's compliance or otherwise with them.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>		
<p><b>Recommendation 1.1</b></p> <p>A listed entity should have and disclose a charter which sets out the respective roles and responsibilities of the board, the chair and management; and includes a description of those matters expressly reserved to the board and those delegated to management.</p>	YES	<p>The Company has adopted a Board Charter.</p> <p>The Board Charter sets out the specific responsibilities of the Board, requirements as to the Boards composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors access to company records and information, details of the Board's relationship with management and details of the Board's disclosure policy.</p> <p>The Managing Director (as a delegate of the board) is responsible for the effective leadership and day to day operations and administration of the Company.</p> <p>A copy of the Company's Board Charter is available on the Company's website.</p>
<p><b>Recommendation 1.2</b></p> <p>A listed entity should:</p> <p>(a) Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>Provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p>	YES	<p>(a) The Company undertakes checks on any person who is being considered as a director. These checks may include character, experience, education and financial history and background.</p> <p>(b) All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in a Notice of Meeting pursuant to which the resolution to elect or re-elect a Director will be voted on.</p>
<p><b>Recommendation 1.3</b></p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	YES	<p>Each senior executive and executive director has a formal employment contract and the non-executive directors have a letter of appointment.</p>
<p><b>Recommendation 1.4</b></p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	YES	<p>The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p> <p>The Company Secretary has primary responsibility for ensuring that Board processes and procedures run efficiently and effectively.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p> <p>(a) Have a diversity policy which includes requirements for the board:</p> <p>(i) To set measurable objectives for achieving gender diversity; and</p> <p>(ii) To assess annually both the objectives and the entity’s progress in achieving them;</p> <p>(b) Disclose that policy or a summary of it; and</p> <p>(c) Disclose as at the end of each reporting period:</p> <p>(i) The measurable objectives for achieving gender diversity set by the board in accordance with the entity’s diversity policy and its progress towards achieving them; and</p> <p>(ii) Either:</p> <p>(A) The respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined “senior executive” for these purposes); or</p> <p>(B) The entity’s “Gender Equality Indicators”, as defined in the Workplace Gender Equality Act 2012.</p>	<p>YES</p>	<p>(a) The Company has adopted a Diversity Policy</p> <p>(i) The Diversity Policy provides a framework for the Company to achieve a list of measurable objectives that encompass gender, age, ethnicity and cultural equality.</p> <p>(ii) The Diversity Policy provides for the monitoring and evaluation of the scope and currency of the Diversity Policy. The Company is responsible for implementing, monitoring and reporting on the measurable objectives.</p> <p>(b) Information on the Company’s Diversity Policy is set out in the Annual Report.</p> <p>(i) The measurable objectives set by the board are included in the Annual Report. In addition, the board will review progress against the objectives in its annual performance assessment.</p> <p>The Board includes in the Annual Report each year the measurable objectives, progress against the objectives, and the proportion of male and female employees in the whole organisation, at senior management level and at Board Level.</p>
<p><b>Recommendation 1.6</b></p> <p>A listed entity should:</p> <p>(a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) Disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>YES</p>	<p>The Chairman is responsible for evaluating the performance of the Board, its committees and individual directors. This is generally done through a meeting with the Chair.</p> <p>The review is currently informal but is based on a review of goals for the Board and individual Directors.</p> <p>Generally, the goals for the Board are based on corporate requirements and any areas for improvement that may be identified. The Chairman will provide each Director with confidential feedback on his or her performance.</p>
<p><b>Recommendation 1.7</b></p> <p>A listed entity should:</p> <p>(a) Have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) Disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>YES</p>	<p>(a) The Remuneration Committee is responsible for evaluating the performance of senior executives. The Committee is to arrange an annual performance evaluation of the senior executives.</p> <p>(b) The Remuneration Committee is required to disclose whether or not performance evaluations were conducted during the relevant reporting period. Details of the performance evaluations conducted will be provided in the Company’s Annual Report.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE</b>		
<p><b>Recommendation 2.1</b></p> <p>The board of a listed entity should:</p> <p>(a) Have a nomination committee which:</p> <ul style="list-style-type: none"> <li>(i) Has at least three members, a majority of whom are independent directors; and</li> <li>(ii) Is chaired by an independent director, and disclose:</li> <li>(iii) The charter of the committee;</li> <li>(iv) The members of the committee; and</li> <li>(v) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <p>(b) If it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>	YES	<p>A nomination committee has been established and the Company has a Remuneration and Nomination Committee Charter which is available on the Company's website. This Committee comprises a minimum of 3 non-executive Directors. During the reporting period, this Committee met once.</p>
<p><b>Recommendation 2.2</b></p> <p>A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	YES	<p>The Board reviews capabilities, technical skills and personal attributes of its directors. It will normally review the Board's composition against those attributes and recommend any changes in Board composition that may be required. An essential component of this will be the time availability of Directors. Information about the skills and expertise of all Board members is contained in the Annual Report.</p> <p>The Board believes that it has a diverse mix of experience and skills which will lead to a better outcome for the Company and the Shareholders, and the Board is comfortable with the skills matrix represented by the current Board.</p>
<p><b>Recommendation 2.3</b></p> <p>A listed entity should disclose:</p> <p>(a) The names of the directors considered by the board to be independent directors;</p> <p>(b) If a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) The length of service of each director</p>	YES	<p>(a) Disclosure of the names of Directors, considered by the board to be independent is provided in the Annual Report.</p> <p>(b) Directors' interests, positions, associations and relationships are regularly assessed by the Board. Details of the Directors interests, positions associations and relationships are provided in the Annual Report.</p> <p>(c) The Board Charter provides for the determination of the Directors' terms and requires the length of service of each Director to be disclosed. The length of service of each Director is provided in the Annual Report.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p><b>Recommendation 2.4</b></p> <p>A majority of the board of a listed entity should be independent directors.</p>	YES	<p>The Board Charter requires that an appropriate balance between independent and non-independent directors is represented on the Board.</p> <p>Details of each Director's independence are provided in the Annual Report.</p>
<p><b>Recommendation 2.5</b></p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	YES	<p>This is complied with as at the date of this Report, with Andrew Milner the non-executive, independent Chairman from 2 July 2015.</p>
<p><b>Recommendation 2.6</b></p> <p>A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.</p>	YES	<p>All new Directors are provided with a copy of all Company Policies and Charters. It is also the responsibility of the Board to procure appropriate professional development opportunities for Directors. The Remuneration and Nominations Committee is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY</b>		
<p><b>Recommendation 3.1</b></p> <p>A listed entity should:</p> <p>(a) Have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) Disclose that code or a summary of it.</p>	YES	<p>(a) The Company's Code of Conduct applies to the Company's Directors, senior executives and employees.</p> <p>(b) The Company's Code of Conduct is available on the Company's website.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING</b>		
<p><b>Recommendation 4.1</b></p> <p>The board of a listed entity should:</p> <p>(a) Have an audit committee which:</p> <ul style="list-style-type: none"> <li>(i) Has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>(ii) Is chaired by an independent director, who is not the chair of the board, and disclose:</li> <li>(iii) The charter of the committee;</li> <li>(iv) The relevant qualifications and experience of the members of the committee; and</li> <li>(v) In relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <p>(b) If it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	YES	<p>(a) The Audit and Risk Committee Charter states that:</p> <ul style="list-style-type: none"> <li>(i) The Audit and Risk Committee shall comprise the Company's non-executive directors;</li> <li>(ii) The Audit and Risk Committee Charter is available on the Company website;</li> <li>(iii) The Audit and Risk Committee Charter requires the Committee in relation to the reporting period to disclose the number of times that the Committee met throughout the period, and the individual attendances of the members at those Committee meetings. Details of the Committee meetings will be provided in the Company's Annual Report.</li> </ul> <p>This Committee met twice during the reporting period.</p>
<p><b>Recommendation 4.2</b></p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	YES	<p>Before the Board approves the entity's financial statements for a financial period, the CEO and CFO declares that in their opinion the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>
<p><b>Recommendation 4.3</b></p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	YES	<p>The Audit and Risk Committee Charter provides that the Committee must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE</b>		
<p><b>Recommendation 5.1</b> A listed entity should:</p> <p>(a) Have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) Disclose that policy or a summary of it.</p>	YES	<p>(a) The Company has a Continuous Disclosure Policy.</p> <p>(b) This Policy is available on the Company's website, as is all information provided to ASX for release to the market.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS</b>		
<p><b>Recommendation 6.1</b> A listed entity should provide information about itself and its governance to investors via its website.</p>	YES	<p>Information about the Company and its governance is available in its Corporate Governance Policies which can be found on the Company's website.</p> <p>A link is available on the Company's website to the Company's announcements page on the ASX website, meaning that all the Company's ASX announcements are immediately accessible through the Company's website.</p>
<p><b>Recommendation 6.2</b> A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	YES	<p>The Company aims to promote and facilitate effective two-way communication with investors through the availability of the MD and the Company Secretary to respond directly to shareholder queries. A link to directly email the Company Secretary is available on the Company's website, as well as the provision of a general email address <a href="mailto:investors@cirrusnetworks.com.au">investors@cirrusnetworks.com.au</a></p>
<p><b>Recommendation 6.3</b> A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	YES	<p>Shareholders are encouraged to participate at all EGMs and AGMs of the Company. Upon the dispatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.</p> <p>Shareholders who are not able to attend at meetings and vote in person are able to utilise the share registry's electronic voting platform, either online or by downloading the relevant phone Application. The introduction of this facility has resulted in a marked increase in the number of Shareholders voting.</p>
<p><b>Recommendation 6.4</b> A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	YES	<p>The Company's share registry provides (through its website) the ability to email the share registry and to receive documents by email from the share registry. Shareholders queries should be referred to the Company Secretary at first instance. Contact details are provided on the Company's website.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>PRINCIPLE 7: RECOGNISE AND MANAGE RISK</b>		
<p><b>Recommendation 7.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose:</li> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	YES	<p>The Board has adopted an Audit and Risk Committee Charter and a Financial Risk Management Policy. These are available on the Company's website. There is no other risk management committee and this role is undertaken by the Board, however, the overall basis for risk management is to provide recommendations about:</p> <ol style="list-style-type: none"> <li>1. Assessing the internal processes for determining and managing key risk areas, particularly: <ul style="list-style-type: none"> <li>• Non-compliance with laws, regulations, standards and best practice guidelines, including environmental and industrial relations laws;</li> <li>• Litigation and claims; and</li> <li>• Relevant business risks other than those that are dealt with by other specific Board Committees.</li> </ul> </li> <li>2. Ensuring that the Company has an effective risk management system and that major risks are reported at least annually to the Board.</li> <li>3. Receiving from management reports on all suspected and actual frauds, thefts and breaches of laws.</li> <li>4. Evaluating the process, the Company has in place for assessing and continuously improving internal controls, particularly those related to areas of significant risk.</li> <li>5. Assessing whether management has controls in place for unusual types of transactions and/or any potential transactions that may carry more than an acceptable degree of risk.</li> <li>6. Meeting periodically with key management, internal and external auditors and compliance staff to understand and discuss the Company's control environment.</li> </ol>
<p><b>Recommendation 7.2</b></p> <p>The board or a committee of the board should:</p> <p>(a) Review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and</p> <p>(b) Disclose in relation to each reporting period, whether such a review has taken place. Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	YES	<p>The Board meets on a regular basis to discuss the Company's operating activities. As part of this, all risks are considered including but not limited to strategic, operational, legal, reputation and financial risks. This is an on-going process rather than an annual formal review. As referred to above, the Company has in place a Financial Risk Management Policy.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <p>(a) If it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	YES	The Company does not have a formal internal audit function but reviews its risk management and internal control processes on a regular basis and has in place a Financial Risk Management Policy as referred to above.
<p><b>Recommendation 7.4</b></p> <p>A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	YES	The Company is of the view that its operations do not create a material exposure to economic and social sustainability risks. With respect to past minerals exploration activities and the environment, the Company has complied with all rehabilitation requirements of the relevant legislation.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY</b>		
<p><b>Recommendation 8.1</b></p> <p>The board of a listed entity should:</p> <p>(a) Have a remuneration committee which:</p> <p>(i) Has at least three members, a majority of whom are independent directors; and</p> <p>(ii) Is chaired by an independent director, and disclose:</p> <p>(iii) The charter of the committee;</p> <p>(iv) The members of the committee; and</p> <p>(v) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) If it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	YES	<p>(a) The Remuneration and Nomination Committee Charter outlines the roles and responsibilities of that Committee and provides that the Committee comprises the non-executive members of the Board but excludes the relevant member of the Board when their performance is under review;</p> <p>(b) The Remuneration and Nomination Committee Charter is available on the Company's website.</p> <p>(c) The Remuneration and Nomination Committee discloses the number of times that the Committee meets throughout the period, and the individual attendances of the members at those Committee meetings. Details of the Committee meetings will be provided in the Company's Annual Report. During the reporting period this Committee met once.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p><b>Recommendation 8.2</b></p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.</p>	<p>YES</p>	<p>The Company provides disclosure of all Directors' and executives' remuneration in its Annual Report.</p> <p>Non-executive Directors are remunerated at a fixed fee to take account of their time, commitment and responsibilities. Remuneration for non-executive Directors is not linked to the performance of the Company. There are no documented agreements providing for termination or retirement benefits for non-executive Directors. Any long-term performance incentives may include options or shares granted at the discretion of the Board and subject to obtaining the relevant Shareholder approvals.</p> <p>Executive Directors and senior executives are offered a competitive level of base pay at market rates which are reviewed annually to ensure market competitiveness. Long term performance incentives may include performance and sales bonus payments, shares and/or options granted at the discretion of the Board and subject to obtaining relevant Shareholder approvals (if required).</p>
<p><b>Recommendation 8.3</b></p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) Have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) Disclose that policy or a summary of it.</p>	<p>N/A</p>	<p>The Company does not have an equity based remuneration scheme which is affected by this recommendation although it has previously obtained Shareholder approval to the issue of shares to directors in lieu of fees; and for the issue of bonus options to Directors. The Company has in place a "Directors and Employees Share Option Plan", under which both employees and Directors may be offered options (subject to Shareholder approval in the case of any officer of the Company).</p>