

# MICRO-X

## Notice of Annual General Meeting & Explanatory Statement

Micro-X Limited ACN 153 273 735

**Held online:** via [https://us02web.zoom.us/webinar/register/WN\\_XuGb3iTQQgmrYLgu3nzXKw](https://us02web.zoom.us/webinar/register/WN_XuGb3iTQQgmrYLgu3nzXKw) with voting to be conducted at <https://web.lumiagm.com/301226650>

**Held on:** 19 November 2021

**Commencing:** 10:00am (Adelaide time)

This Notice of Annual General Meeting and Explanatory Statement should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

## Letter from the Chairman

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Dear Shareholders,

We are pleased to invite you to the 2021 Annual General Meeting of Micro-X Limited (**Company** or **Micro-X**). The Annual General Meeting will be held virtually on the online platform, Zoom webinar at [https://us02web.zoom.us/webinar/register/WN\\_XuGb3iTQQgmrYLgu3nzXKw](https://us02web.zoom.us/webinar/register/WN_XuGb3iTQQgmrYLgu3nzXKw) with voting to be conducted at <https://web.lumiagm.com/301226650>. The business to be considered at the Annual General Meeting is provided in Part A of this Notice of Annual General Meeting and an Explanatory Statement in relation to each of the proposed Resolutions is provided in Part D of this Notice of Annual General Meeting.

This year, Micro-X has achieved a number of key milestones across each area of the business including commercial, development and financing achievements. As Micro-X continues to grow and mature, the Board is continuing to seek best practice in its operations and its people, reflective of where the Company is today and what we are targeting to become as a company.

In accordance with that, in addition to the Resolutions before Shareholders dealing with the Financial Report, Remuneration Report, re-election of Directors and ratification of our 2021 Placement, there are also a series of Resolutions before Shareholders intended to address a complete restructure of the manner in which our Directors are compensated, to better align those arrangements with Shareholder objectives and to reflect current industry benchmarks. In order to ensure a transparent and professional process in reviewing these matters, the Company appointed independent remuneration consultants to perform a detailed review and provide a report (**Independent Remuneration Reports**).

As part of the restructure of the Director remuneration arrangements recommended in the Independent Remuneration Reports, there are three key components summarised below and which are being put as Resolutions to Shareholders, as detailed in the Explanatory Memorandum:

- *Firstly*, an adjustment to the total pool of non executive Director compensation to \$700,000 per annum [**Resolution 5**]. The current total of this pool is \$300,000 which was approved in 2015 in connection with the Company's IPO. This has not been increased despite additional Directors joining the Board and the expansion of the Company's operations with multiple commercial and development products, adding to the complexity requiring Board oversight.

In line with the Independent Remuneration Reports, if Resolution 5 is passed, it is proposed that the Chairman's base Directors' fees be increased to \$100,000 per annum (including superannuation) and each of the four other non executive Director's base Directors' fees be increased to \$65,000 per annum (including superannuation). These base Directors' fees are lower than the recommended remuneration in the Independent Remuneration Reports. The total remuneration payable to Directors will be approximately \$360,000 per annum. There will also be capacity to attract additional Directors to the Board who may also be based overseas.

If Resolution 5 is not passed, the Company will be limited to paying \$300,000 per annum in aggregate for all Directors (including superannuation) which may make it more difficult for the Company to attract and retain non executive Directors.

- *Secondly*, the inclusion of a long term incentive plan (within the terms of the Employee Equity Plan) for non executive Directors, received in Performance Rights [**Resolutions 6 – 10**]. These Performance Rights are intended to better align Directors with Shareholder outcomes. Similar to the Performance Rights issued to employees in the FY2021 Remuneration Report, these Performance Rights, if approved by Shareholders, will vest upon the achievement of compound Total Shareholder Return of 20% over a three year vesting period, with a target vesting of 50% of the Performance Rights, with the remaining 50% vesting at levels of appreciation greater than the target, up to 200% of the target.

If approved, the Performance Rights issued to Directors under this long term incentive plan (within the terms of the Employee Equity Plan) will equate to \$30,000 for the Chairman and \$19,500 for each of the other four Directors, for a total of \$108,000 of Performance Rights. At target vesting, total remuneration will be consistent with the recommendation from the

independent remuneration consultant. These will all be included within the total pool of non executive Director compensation, if Resolution 5 is passed.

- *Thirdly*, all Directors have sought the ability to salary sacrifice part or all of their base Directors' fees into Shares in the Company in lieu of cash [**Resolutions 11 – 15**]. If approved by Shareholders, each Director will be required to nominate annually in advance, the proportion of their Directors' fee they wish to be paid in Shares and in lieu of receiving cash. If approved, these Shares will be issued quarterly based on a predetermined mechanism. This salary sacrifice scheme will result in Directors taking a greater equity interest in the Company and reducing the cash payments to Directors.

Due to the COVID-19 pandemic, the Company has taken significant steps to ensure that Shareholders can participate in the Annual General Meeting virtually while maintaining their health and safety, and abiding by Federal and State Government requirements and guidelines regarding COVID-19.

Shareholders will not be able to attend the Annual General Meeting in person, however the Company encourages all Shareholders to participate in the Annual General Meeting via the online platform at [https://us02web.zoom.us/webinar/register/WN\\_XuGb3iTQQgmrYLqu3nzXKw](https://us02web.zoom.us/webinar/register/WN_XuGb3iTQQgmrYLqu3nzXKw), with voting to be conducted at <https://web.lumiagm.com/301226650>. Further information on how to do this is set out at Part B of this Notice of Annual General Meeting and the online meeting user guide at [www.computershare.com.au/onlinevotingguide](http://www.computershare.com.au/onlinevotingguide) and attached to this Notice of Annual General Meeting. Shareholders will be able to hear and view the Annual General Meeting on their own computer or device, vote on Resolutions and ask questions.

In addition, whilst Shareholders will be able to vote online during the Annual General Meeting, you are encouraged to lodge a proxy ahead of the Annual General Meeting. Shareholders can vote by proxy by completing the enclosed Proxy Form and returning it in the envelope provided. Instructions on how to appoint a proxy are detailed on the Proxy Form. Proxies must be received no later than 10:00am (Adelaide time) on 17 November 2021 to be valid for the Annual General Meeting.

Please read the whole of this booklet carefully as it provides important information on the Annual General Meeting, items of business and the Resolutions that you, as a Shareholder, are being asked to vote on.

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary, Mr Kingsley Hall, on +61 8 7099 3966.

Dated: 15 October 2021

Yours sincerely



David Knox  
**Chair**  
**Micro-X Limited**

## Part A – Notice of Annual General Meeting

### Time and place

Notice is hereby given that the Annual General Meeting of the Company will be held as follows:

Held online: via [https://us02web.zoom.us/webinar/register/WN\\_XuGb3iTQQgmrYLgu3nzXKw](https://us02web.zoom.us/webinar/register/WN_XuGb3iTQQgmrYLgu3nzXKw), with voting to be conducted at <https://web.lumiagm.com/301226650>.

Commencing at: 10:00am (Adelaide time) on 19 November 2021.

### Explanatory Statement

The Explanatory Statement which accompanies and forms part of this Notice of Annual General Meeting describes the matters to be considered at the Annual General Meeting.

### Defined terms

Defined terms used in this Notice of Annual General Meeting have the meanings given to them in the Glossary accompanying this Notice of Annual General Meeting at Part C.

## ORDINARY BUSINESS

### 1. Agenda Item 1 - Resolutions

Receipt and consideration of accounts and reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and the Auditor, for the year ended 30 June 2021.

*Note: Except as set out in Resolution 1, there is no requirement for Shareholders to approve these reports. Accordingly, no resolution will be put to Shareholders on this item of business.*

Resolution 1: Adoption of Remuneration Report

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

*“That for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report (included in the Directors' Report) for the financial year ended 30 June 2021 be adopted.”*

*Note: In accordance with the Corporations Act, this resolution is advisory only and does not bind the Company or the Directors of the Company. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.*

#### Voting exclusion:

The Company will disregard any votes cast on this resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) and a Closely Related Party of such a member. However, the Company need not disregard a vote if it is cast by a person (including the Key Management Personnel or their Closely Related Parties) as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form or it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, where the proxy form does not specify the way the proxy is to vote on this resolution but expressly authorises the person chairing the meeting to exercise the proxy even if this resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Any undirected proxies held by Directors or other Key Management Personnel or their Closely Related Parties for the purposes of Resolution 1 (excluding the Chairman) will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 1.

Resolution 2: Re-election of Dr Alexander Gosling as a Director of the Company  
To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That Dr Alexander Gosling, being a Director who retires pursuant to the Constitution of the Company and, being eligible for re-election, offers himself for re-election, is hereby re-elected as a Director of the Company."*

**Voting exclusion:**

There are no voting exclusions on this resolution.

Resolution 3: Re-election of Mr James McDowell as a Director of the Company  
To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That Mr James McDowell, being a Director who was appointed by the Company's Directors on 1 January 2021 pursuant to the Constitution of the Company and, being eligible for re-election, offers himself for re-election, is hereby re-elected as a Director of the Company."*

**Voting exclusion:**

There are no voting exclusions on this resolution.

Resolution 4: Ratification of issue of the Placement Shares  
To consider and, if thought fit, pass the following resolution, with or without amendment, as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of the Placement Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting exclusion:**

The Company will disregard any votes cast in favour of this resolution by or on behalf of a person who participated in the issue of the Placement Shares, and any associate of that person or those persons. However, the Company need not disregard a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of 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 5: Increase in Directors' Fees  
To consider and, if thought fit, pass the following resolution, with or without amendment, as an **ordinary resolution**:

*"That, for the purposes of Clause 66 of the Constitution, ASX Listing Rule 10.17 and for all other purposes, Shareholders approve increasing the maximum total fees payable to non executive Directors from \$300,000 per annum to \$700,000 per annum, on the terms and conditions set out in the Explanatory Statement."*

**Voting exclusion:**

The Company will disregard any votes cast in favour of this resolution by or on behalf of any Director or any associate of that person or those persons. However, the Company need not disregard a vote cast in favour of the resolution by:

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

**Voting prohibition statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- the proxy is either:
  - a member of the Key Management Personnel; or
  - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this resolution.

However, the above prohibition does not apply if:

- the proxy is the chair; and
- the appointment expressly authorises the chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 5. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 5.

Resolution 6: Approval of issue of Performance Rights to Mr David Knox under the Employee Equity Plan

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

*"That, for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, and conditional on Resolutions 7 to 10 being approved in accordance with their terms, Shareholders approve the issue of Performance Rights to Mr David Knox (or his nominee) under the Employee Equity Plan on the terms and conditions set out in the Explanatory Statement."*

**Voting exclusion:**

The Company will disregard any votes cast in favour of this resolution by or on behalf of Mr David Knox, or any associates of Mr David Knox (**Resolution 6 Excluded Party**). However, the Company need not disregard a vote cast in favour of the resolution by:

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

**Voting prohibition statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- the proxy is either:
  - a member of the Key Management Personnel; or
  - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this resolution.

Provided the chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

- the proxy is the chair; and
- the appointment expressly authorises the chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 6. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 6.

Resolution 7: Approval of issue of Performance Rights to Mr Patrick O'Brien under the Employee Equity Plan

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

*"That, for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, and conditional on Resolution 6 and Resolutions 8 to 10 being approved in accordance with their terms, Shareholders approve the issue of Performance Rights to Mr Patrick O'Brien (or his nominee) under the Employee Equity Plan on the terms and conditions set out in the Explanatory Statement."*

**Voting exclusion:**

The Company will disregard any votes cast in favour of this resolution by or on behalf of Mr Patrick O'Brien, or any associates of Mr Patrick O'Brien (**Resolution 7 Excluded Party**). However, the Company need not disregard a vote cast in favour of the resolution by:

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

**Voting prohibition statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- the proxy is either:
  - a member of the Key Management Personnel; or
  - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this resolution.

Provided the chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if:

- the proxy is the chair; and
- the appointment expressly authorises the chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 7. By marking the Chairman's box on the proxy form, you acknowledge

that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 7.

**Resolution 8: Approval of issue of Performance Rights to Ms Yasmin King under the Employee Equity Plan**

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

*"That, for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, and conditional on Resolutions 6, 7, 9 and 10 being approved in accordance with their terms, Shareholders approve the issue of Performance Rights to Ms Yasmin King (or her nominee) under the Employee Equity Plan on the terms and conditions set out in the Explanatory Statement."*

**Voting exclusion:**

The Company will disregard any votes cast in favour of this resolution by or on behalf of Ms Yasmin King, or any associates of Ms Yasmin King (**Resolution 8 Excluded Party**). However, the Company need not disregard a vote cast in favour of the resolution by:

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

**Voting prohibition statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- the proxy is either:
  - a member of the Key Management Personnel; or
  - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this resolution.

Provided the chair is not a Resolution 8 Excluded Party, the above prohibition does not apply if:

- the proxy is the chair; and
- the appointment expressly authorises the chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 8. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 8.

**Resolution 9: Approval of issue of Performance Rights to Dr Alexander Gosling under the Employee Equity Plan**

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

*"That, for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, and conditional on Resolutions 6 to 8, and Resolution 10, being approved in accordance with their terms, Shareholders approve the issue of Performance Rights to Dr Alexander Gosling (or his nominee) under the Employee Equity Plan on the terms and conditions set out in the Explanatory Statement."*

**Voting exclusion:**

The Company will disregard any votes cast in favour of this resolution by or on behalf of Dr Alexander Gosling, or any associates of Dr Alexander Gosling (**Resolution 9 Excluded Party**). However, the Company need not disregard a vote cast in favour of the resolution by:

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

**Voting prohibition statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- the proxy is either:
  - a member of the Key Management Personnel; or
  - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this resolution.

Provided the chair is not a Resolution 9 Excluded Party, the above prohibition does not apply if:

- the proxy is the chair; and
- the appointment expressly authorises the chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 9. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 9.

### Resolution 10: Approval of issue of Performance Rights to Mr James McDowell under the Employee Equity Plan

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

*"That, for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, and conditional on Resolutions 6 to 9 being approved in accordance with their terms, Shareholders approve the issue of Performance Rights to Mr James McDowell (or his nominee) under the Employee Equity Plan on the terms and conditions set out in the Explanatory Statement."*

**Voting exclusion:**

The Company will disregard any votes cast in favour of this resolution by or on behalf of Mr James McDowell, or any associates of Mr James McDowell (**Resolution 10 Excluded Party**). However, the Company need not disregard a vote cast in favour of the resolution by:

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

**Voting prohibition statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- the proxy is either:
  - a member of the Key Management Personnel; or
  - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this resolution.

Provided the chair is not a Resolution 10 Excluded Party, the above prohibition does not apply if:

- the proxy is the chair; and
- the appointment expressly authorises the chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 10. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 10.

**Resolution 11: Approval of 10% Placement Capacity**

To consider and, if thought fit, pass the following resolution, with or without amendment, as a **special resolution**:

*"That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the Company having the additional capacity to issue Equity Securities provided for in ASX Listing Rule 7.1A, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Annual General Meeting."*

**Voting exclusion:**

If, at the time this approval is sought, the Company is proposing to make an issue of Equity Securities under ASX Listing Rule 7.1A.2, the Company will disregard votes cast in favour in respect of the resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any of their respective associates. However, the Company need not disregard a vote cast in favour of the resolution by:

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

At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing Shareholders or security holders to participate in an issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Annual General Meeting.

**Resolution 12: Approval of issue of Shares to Mr David Knox in Lieu of Cash Payments for Directors' Fees**

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

*“That, pursuant to and in accordance with ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 333,333 Shares to Mr David Knox (or his nominee), on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.”*

**Voting exclusion:**

The Company will disregard votes cast in favour in respect of the resolution by or on behalf of Mr David Knox or any of his associates and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company). However, the Company need not disregard a vote cast in favour of the resolution by:

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

**Voting prohibition statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- the proxy is either:
  - a member of the Key Management Personnel; or
  - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this resolution.

However, the above prohibition does not apply if:

- the proxy is the chair; and
- the appointment expressly authorises the chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 12. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 12.

**Resolution 13: Approval of issue of Shares to Mr Patrick O'Brien in Lieu of Cash Payments for Directors' Fees**

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

*“That, pursuant to and in accordance with ASX Listing Rule 10.11 and for all other purposes, and conditional on Resolution 5 being approved by Shareholders in accordance with its terms, Shareholders approve the issue of up to 216,666 Shares to Mr Patrick O'Brien (or his nominee), on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.”*

**Voting exclusion:**

The Company will disregard votes cast in favour in respect of the resolution by or on behalf of Mr Patrick O'Brien or any of his associates and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company). However, the Company need not disregard a vote cast in favour of the resolution by:

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

**Voting prohibition statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- the proxy is either:
  - a member of the Key Management Personnel; or
  - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this resolution.

However, the above prohibition does not apply if:

- the proxy is the chair; and
- the appointment expressly authorises the chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 13. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 13.

**Resolution 14: Approval of issue of Shares to Ms Yasmin King in Lieu of Cash Payments for Directors' Fees**

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

*"That, pursuant to and in accordance with ASX Listing Rule 10.11 and for all other purposes, and conditional on Resolution 5 being approved by Shareholders in accordance with its terms, Shareholders approve the issue of up to 216,666 Shares to Ms Yasmin King (or her nominee), on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Annual General Meeting."*

**Voting exclusion:**

The Company will disregard votes cast in favour in respect of the resolution by or on behalf of Ms Yasmin King or any of her associates and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company). However, the Company need not disregard a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

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

**Voting prohibition statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- the proxy is either:
  - a member of the Key Management Personnel; or
  - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this resolution.

However, the above prohibition does not apply if:

- the proxy is the chair; and
- the appointment expressly authorises the chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 14. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 14.

#### Resolution 15: Approval of issue of Shares to Dr Alexander Gosling in Lieu of Cash Payments for Directors' Fees

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

*"That, pursuant to and in accordance with ASX Listing Rule 10.11 and for all other purposes, and conditional on Resolution 5 being approved by Shareholders in accordance with its terms, Shareholders approve the issue of up to 216,666 Shares to Dr Alexander Gosling (or his nominee), on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Annual General Meeting."*

**Voting exclusion:**

The Company will disregard votes cast in favour in respect of the resolution by or on behalf of Dr Alexander Gosling or any of his associates and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company). However, the Company need not disregard a vote cast in favour of the resolution by:

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

**Voting prohibition statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- the proxy is either:
  - a member of the Key Management Personnel; or
  - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this resolution.

However, the above prohibition does not apply if:

- the proxy is the chair; and
- the appointment expressly authorises the chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 15. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 15.

**Resolution 16: Approval of issue of Shares to Mr James McDowell in Lieu of Cash Payments for Directors' Fees**

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

*"That, pursuant to and in accordance with ASX Listing Rule 10.11 and for all other purposes, and conditional on Resolution 5 being approved by Shareholders in accordance with its terms, Shareholders approve the issue of up to 216,666 Shares to Mr James McDowell (or his nominee), on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Annual General Meeting."*

**Voting exclusion:**

The Company will disregard votes cast in favour in respect of the resolution by or on behalf of Mr James McDowell or any of their his associates and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company). However, the Company need not disregard a vote cast in favour of the resolution by:

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

**Voting prohibition statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- the proxy is either:
  - a member of the Key Management Personnel; or
  - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this resolution.

However, the above prohibition does not apply if:

- the proxy is the chair; and
- the appointment expressly authorises the chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 16. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 16.

For personal use only

## Part B – How to vote

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If you are entitled to vote at the Annual General Meeting, you may vote by attending the meeting virtually or by attorney, proxy or, in the case of corporate shareholders, corporate representative.

### 1. How to vote

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You may vote in one of two ways:

- attending the meeting and voting virtually (if a corporate shareholder, by representative); and
- voting by proxy (see below on how to vote by proxy).

### 2. Your vote is important

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The business of the Annual General Meeting affects your shareholding and your vote is important.

### 3. Corporations

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To vote at the Annual General Meeting, a Shareholder that is a corporation must appoint an individual to act as its representative. The appointment must comply with section 250D of the Corporations Act. Evidence of the appointment of a corporate representative must be lodged with the Company before the Annual General Meeting.

Alternatively, a corporation may appoint a proxy.

### 4. Virtual participation

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Due to the COVID-19 pandemic, Shareholders will not be able to attend the Annual General Meeting in person, however the Company encourages all Shareholders to participate in the Annual General Meeting via the online platform, Zoom webinar at [https://us02web.zoom.us/webinar/register/WN\\_XuGb3iTQQgmrYLgu3nzXKw](https://us02web.zoom.us/webinar/register/WN_XuGb3iTQQgmrYLgu3nzXKw), with voting to be conducted at <https://web.lumiagm.com/301226650>.

Shareholders who wish to participate in the Annual General Meeting online may do so by registering via the above link. After registering, you will receive a confirmation email containing information about joining the webinar.

If you choose to participate in the meeting this way, you will be able to view the Annual General Meeting live, lodge a direct vote in real time and ask questions online.

Shareholders will also have the ability to submit questions prior to the Annual General Meeting by emailing their questions to [agmquestion@micro-x.com](mailto:agmquestion@micro-x.com) at least 48 hours before the Annual General Meeting.

To vote online during the meeting you will need to visit <https://web.lumiagm.com/301226650> on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible. For further instructions on how to participate online please view the online meeting user guide at [www.computershare.com.au/onlinevotingguide](http://www.computershare.com.au/onlinevotingguide) and attached to this Notice of Annual General Meeting (**User Guide**).

Shareholders participating in the Annual General Meeting using the online platform will be able to cast direct votes between the commencement of the Annual General Meeting at 10.00am Adelaide time on 19 November 2021 and the closure of voting as announced by the Chairman during the Annual General Meeting.

Shareholders who elect to participate at the Annual General Meeting using the online platform will:

- be counted as being present at the meeting for any purpose, including the purpose of determining whether there is a quorum;
- be able to ask questions or make comments; and
- be able to vote on resolutions they are entitled to vote on.

More information regarding online participation at the Annual General Meeting (including how to vote and ask questions online during the Annual General Meeting) is available in the User Guide. The User Guide is attached to this Notice of Annual General Meeting and will be lodged with the ASX and available on our website.

## 5. Voting by proxy

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder; and
- a Shareholder who is 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. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chairman, who must vote the proxies as directed. Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has two or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and

- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

## **6. Eligibility to vote**

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The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those that are registered Shareholders at 7:00pm (Adelaide time) on 17 November 2021. If you are not the registered holder of a relevant Share at that time you will not be entitled to vote in respect of that Share.

## **7. Voting procedure**

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Every question arising at this Annual General Meeting will be decided by a poll. Every person entitled to vote who is present virtually, or by proxy, representative or attorney will have one vote for each voting Share held by that person.

## **8. Enquiries**

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For all enquiries, please contact the Company Secretary, Mr Kingsley Hall, on +61 8 7099 3966.

## Part C – Glossary

<b>\$</b>	Australian dollars.
<b>10% Placement Capacity</b>	ASX Listing Rule 7.1A enables eligible entities to issue up to 10% of its issued capital through placements over a 12-month period after the annual general meeting – refer to section 8.1 of the Explanatory Statement.
<b>10% Placement Period</b>	ASX Listing Rule 7.1A sets out the time period under which shareholder approval of the 10% Placement Capacity remains valid – refer to section 8.2(f) of the Explanatory Statement.
<b>15% Placement Capacity</b>	ASX Listing Rule 7.1 limits, subject to certain exceptions, an entity from issuing or agreeing to issue more Equity Securities in a 12 month period to that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of the 12 month period – refer to section 5.2 of the Explanatory Statement.
<b>Adelaide time</b>	Australian Central Daylight Savings Time in Adelaide, South Australia.
<b>Annual General Meeting</b>	The Annual General Meeting of Shareholders to be held on 19 November 2021.
<b>Annual Report</b>	The Directors' Report, the Financial Report, and Auditor's Report, in respect of the year ended 30 June 2021.
<b>Auditor's Report</b>	The Auditor's Report in the Financial Report.
<b>Auditor</b>	The Company's auditor from time to time being Grant Thornton as at the date of the Notice of Annual General Meeting and for the Financial Report.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	The Australian Securities Exchange operated by ASX Limited.
<b>ASX Listing Rules</b>	The listing rules of the ASX.
<b>Board</b>	The board of directors of the Company.
<b>Chairman</b>	The chairman of the Company, Mr David Knox, who will also act as the chairman of the Annual General Meeting.
<b>Closely Related Party</b>	Has the meaning given to that term in section 9 of the Corporations Act.
<b>Company</b>	Micro-X Limited ACN 153 273 735.
<b>Company Secretary</b>	The company secretary of the Company, Mr Kingsley Hall.
<b>Constitution</b>	The constitution of the Company.
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth) for the time being in force together with the regulations of that act.
<b>Directors</b>	The directors of the Company at the date of the Annual General Meeting.
<b>Directors' Report</b>	The annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities included in the Annual Report.
<b>Employee Equity Plan</b>	The Company's employee incentive plan which provides eligible employees with the opportunity to acquire Performance Rights and Service Rights.
<b>Equity Securities</b>	Has the meaning given to that term in section 8.1 of the Explanatory Statement.
<b>Explanatory Statement</b>	The explanatory statement accompanying the Notice of Annual General Meeting and contained in Part D of this booklet.
<b>Financial Report</b>	The financial report for the year ended 30 June 2021, prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

<b>Glossary</b>	The glossary contained in Part C of this booklet.
<b>Key Management Personnel</b>	<p>Persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director of the Company (executive and non executive). The Key Management Personnel at 30 June 2021 are listed in the Remuneration Report and include:</p> <ul style="list-style-type: none"> <li>• David Knox, Non-Executive Chairman</li> <li>• Peter Rowland, Managing Director</li> <li>• Alexander Gosling, Non-Executive Director</li> <li>• Yasmin King, Non-Executive Director</li> <li>• Patrick O'Brien, Non-Executive Director</li> <li>• James McDowell, Non-Executive Director</li> <li>• Kingsley Hall, Chief Financial Officer and Company Secretary</li> <li>• Anthony Skeats, General Manager, CT</li> <li>• Brian Gonzales, General Manager, Checkpoints and President of Micro-X Inc.</li> <li>• Alexander Blackburn, Strategy and Planning Manager</li> </ul>
<b>Monte Carlo simulation</b>	A computerised mathematical technique utilised in derivative valuation exercises that enables people to account for risk in quantitative analysis and decision making.
<b>Notice of Annual General Meeting</b>	The notice of the Annual General Meeting accompanying the Explanatory Statement for the Annual General Meeting and contained in Part A of this booklet.
<b>Performance Rights</b>	Rights which are convertible into Shares subject to the satisfaction of certain performance conditions and the terms and conditions of issue set out in the Employee Equity Plan.
<b>Placement</b>	The placement of the Placement Shares which completed on or about 5 February 2021.
<b>Placement Shares</b>	53,917,763 Shares issued to sophisticated and/or professional and/or other investors at \$0.34 per Share issued on 5 February 2021, in accordance with sections 708(8), 708(10) and 708(11) of the Corporations Act.
<b>Proxy Form</b>	The proxy form accompanying this booklet.
<b>Remuneration Report</b>	The remuneration report of the Company for the year ended 30 June 2021 contained in the Directors' Report.
<b>Resolution(s)</b>	The resolution(s) contained in the Notice of Annual General Meeting.
<b>Service Rights</b>	Performance Rights which are convertible into Shares subject to the satisfaction of certain service conditions and the terms and conditions of issue set out in the Employee Equity Plan.
<b>Shareholders</b>	The holders of Shares and <b>Shareholder</b> means any one of them.
<b>Shares</b>	Fully paid ordinary shares on issue in the share capital of the Company and <b>Share</b> means any one of them.
<b>Total Shareholder Return or TSR</b>	The total shareholder return in a financial year.
<b>VWAP</b>	Volume weighted average price.

## Part D – Explanatory Statement

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This Explanatory Statement forms part of the Notice of Annual General Meeting convening the Annual General Meeting of Shareholders of the Company to be held online at [https://us02web.zoom.us/webinar/register/WN\\_XuGb3iTQQgmrYLgu3nzXKw](https://us02web.zoom.us/webinar/register/WN_XuGb3iTQQgmrYLgu3nzXKw), with voting to be conducted at <https://web.lumiagm.com/301226650>, commencing at 10.00am (Adelaide time) on 19 November 2021.

This Explanatory Statement is to be read in conjunction with the Notice of Annual General Meeting.

### Purpose

The purpose of this Explanatory Statement is to provide information which the Directors believe is material to Shareholders in deciding whether or not to pass the Resolutions to be put forward in the Annual General Meeting.

The Directors recommend Shareholders read the Notice of Annual General Meeting and this Explanatory Statement in full before making any decisions relating to the Resolutions contained in the Notice of Annual General Meeting.

### Defined terms

Defined terms used in this Explanatory Statement have the meanings given to them in the Glossary accompanying this Explanatory Statement at Part C.

### Further information

If you have any queries in respect to any of the matters set out in this booklet, please contact the Company Secretary, Mr Kingsley Hall, on +61 8 7099 3966.

## 1. Receipt and consideration of accounts and reports

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A copy of the Annual Report for the financial year ending 30 June 2021 (which incorporates the Company's Financial Report, the Directors' Report (including the Remuneration Report) and the Auditor's Report) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution costs associated with doing so for all Shareholders.

You may obtain a copy free of charge in hard copy form by contacting the Company by phone at +61 8 7099 3966, and you may request that this occurs on a standing basis for future years. Alternatively, you may access the Annual Report at the Company's website: [www.micro-x.com](http://www.micro-x.com) or via the Company's announcement platform on ASX. Except for as set out in Resolution 1, no resolution is required on these reports.

## 2. Resolution 1 – Adoption of Remuneration Report

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### 2.1 Background

Section 250R(3) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the annual general meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the Remuneration Report at the annual general meeting.

The Corporations Act requires the Company to put a resolution to Shareholders that, in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

## **2.2 Directors' recommendations and interests**

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this resolution (set out in the Notice of Annual General Meeting), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution, the Directors unanimously recommend that Shareholders vote in favour of Resolution 1 to adopt the Remuneration Report.

## **3. Resolution 2 – Re-election of Dr Alexander Gosling as a Director of the Company**

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### **3.1 Background**

Clause 63.1 of the Constitution provides that any Director who is not the Managing Director and who holds office for a continuous period in excess of three years or until the third annual general meeting following the Director's appointment or election, whichever is the longer, must submit for re-election.

As Dr Alexander Gosling was re-elected as a Director at the Company's annual general meeting on 21 November 2018, he must retire at the conclusion of the Annual General Meeting. Being eligible, he offers himself for re-election.

Dr Alexander Gosling is a non executive Director of the Company. He has been a Director of the Company since 27 August 2015.

Dr Alexander Gosling has been working in the field of process and product development and related research and development for 40 years. He was a founding director of Invetech and was part of the management team that led Invetech to a public listing (as Vision Systems) and then to its acquisition in 2006 by Danaher Corp for \$800 million. He does not currently hold any other material directorships; however, he currently sits on a number of company boards, mostly involved in commercialising medical technology. He is a member of the Australian Institute of Company Directors.

Dr Alexander Gosling is an engineer, with an Honours degree from Cambridge University. He is a Fellow of the Academy of Technology and Engineering, a Fellow of the Institute of Engineers Australia, and a Governor of the Warren Centre for Advanced Engineering. He was awarded an Honorary Doctorate in Engineering from Swinburne University and made a Member of The Order of Australia for services to engineering.

Dr Alexander Gosling is currently chairman of the Company's People and Remuneration Committee.

The Board considers Dr Alexander Gosling to be an independent Director as he is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party.

### 3.2 Directors' recommendations and interests

The Board (with Dr Alexander Gosling abstaining), recommends that Shareholders vote in favour of the re-election of Dr Alexander Gosling as he will contribute to the Board significant expertise in the areas of engineering, process and product development and related research and development. The Chairman of the meeting intends to vote undirected proxies in favour of Dr Alexander Gosling's election.

## 4. Resolution 3 – Re-election of Mr James McDowell as a Director of the Company

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### 4.1 Background

Clause 62.1 of the Constitution provides that the Directors may appoint any person as a Director to fill a casual vacancy or as an addition to existing Directors. Clause 62.2 of the Constitution provides that, unless that Director is the Managing Director and the ASX Listing Rules do not require that Director to be subject to retirement, a Director appointed under clause 62.1 of the Constitution will hold office until the end of the next annual general meeting of the Company, at which the Director may be re-elected.

Mr James McDowell was appointed by the Directors on 1 January 2021. Accordingly, being eligible, he offers himself for re-election.

Mr James McDowell has worked for 35 years in a variety of executive roles in the Aerospace and Defence industry, living in the U.S.A., U.K., Korea, Hong Kong, Singapore, Australia, and Saudi Arabia, culminating in the roles of CEO BAE Systems Australia where he oversaw the purchase of Tenix Defence, followed by CEO BAE Systems Saudi Arabia. Most recently, he was South Australia's top public servant as Chief Executive for the Department of the Premier and Cabinet where he was responsible for supporting the Premier and Ministers to deliver the government's vision for South Australia. Since leaving his role as Chief Executive for the Department of the Premier and Cabinet, he has become the Group CEO of Nova Group. He brings a genuine passion for growing local industry capability and significant board experience having previously chaired Australia's Nuclear Science and Technology Organisation and been a director of ASX listed companies Austal Ltd., Codan Ltd and the Adelaide Football Club. Jim holds a Bachelor of Law (University of Warwick) and an honorary Doctorate (University of South Australia). Mr James McDowell does not currently hold any other material directorships.

Mr James McDowell is also a member of the Company's People and Remuneration Committee.

Mr James McDowell has no interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party. As such, the Board considers that Mr James McDowell will, if elected, qualify as an independent Director.

### 4.2 Directors' recommendations and interests

The Board (with Mr James McDowell abstaining), recommends that Shareholders vote in favour of the re-election of Mr James McDowell as he will contribute to the Board significant expertise in the areas of aerospace, defence, law and government. The Chairman of the meeting intends to vote undirected proxies in favour of Mr James McDowell's election.

## 5. Resolution 4 - Ratification of issue of the Placement Shares

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### 5.1 Purpose of resolution

Resolution 4 seeks Shareholder ratification for the purpose of satisfying ASX Listing Rule 7.4 of the issue of the Placement Shares – i.e. 53,917,763 new Shares issued on 5 February 2021 at an issue price of \$0.34 per Share.

Resolution 4 is proposed as an ordinary resolution.

## 5.2 Overview of regulatory approval requirements

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period (**15% Placement Capacity**) without Shareholder approval.

The Placement Shares were issued without Shareholder approval under the Company's available capacity under ASX Listing Rule 7.1.

ASX Listing Rule 7.4 provides that an issue of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purpose of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 and Shareholders subsequently approve it.

Approval under ASX Listing Rule 7.4 is being sought so that the issue of the Placement Shares, once ratified pursuant to this Resolution 4, does not use up the Company's 15% Placement Capacity.

If Resolution 4 is passed, the issue of the Placement Shares will be excluded in calculating the Company's 15% Placement Capacity in Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue over any 12 month period without the approval of Shareholders.

If Resolution 4 is not passed, the issue of the Placement Shares will be included in calculating the Company's 15% Placement Capacity in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue over any 12 month period without the approval of Shareholders.

## 5.3 Specific information

ASX Listing Rule 7.5 requires certain information to accompany a Notice of Annual General Meeting in relation to approval sought under ASX Listing Rule 7.4. This information is set out below:

ASX Listing Rule 7.5 requirement	Information
Names of the allottees or basis on which they were identified or selected:	The Placement Shares were issued to sophisticated and/or professional and/or other investors in accordance with sections 708(8), 708(10) and 708(11) of the Corporations Act, at the discretion of the Board. None of the investors comprised a related party of the Company, a member of the Company's key management personnel, an adviser to the Company or an associate of any of the above.  The Placement was jointly managed by Morgans Corporate Limited and Hawkesbury Partners Limited.
Number and class of securities issued:	89,705,883 fully paid Shares were issued under the Placement, of which 53,917,763 Shares (being the Placement Shares) were issued under the Company's 15% Placement Capacity. The remaining Shares were issued under the Company's additional placement capacity under ASX Listing Rule 7.1A.
The date on which the securities were issued:	The Placement Shares were issued on 5 February 2021.
The issue price of the securities:	The Placement Shares were issued at \$0.34 per Share.
The purpose of the issue, including the use or	The Placement Shares were issued to fund expansion of the Company's US operations, sales and marketing infrastructure to

ASX Listing Rule 7.5 requirement	Information
intended use of funds raised:	accelerate sales activity, insourcing project development, repayment of the Thales convertible note, working capital and costs of the offer.
Voting exclusion statement:	A voting exclusion statement in respect of Resolution 4 is contained in the Notice of Annual General Meeting.

#### 5.4 Directors' recommendations and interests

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

Each Director who is also a Shareholder and who is not otherwise restricted from voting intends to vote in favour of Resolution 4.

The Chairman of the Annual General Meeting intends to vote all available undirected proxies in favour of Resolution 4.

### 6. Resolution 5 – Increase in Directors' Fees

#### 6.1 Purpose of resolution

Resolution 5 seeks Shareholder approval, pursuant to Clause 66 of the Constitution and ASX Listing Rule 10.17, to increase the maximum total fees payable to non executive Directors from \$300,000 per annum to \$700,000 per annum.

Resolution 5 is proposed as an ordinary resolution.

#### 6.2 Overview of regulatory approval requirements

Clause 66.1 of the Constitution and ASX Listing Rule 10.17 require the Company to obtain Shareholder approval to increase the maximum total fees payable to non executive Directors for their services. Clause 66.2 of the Constitution states that this includes amounts paid to Directors' superannuation, retirement or pension funds.

This proposed level of permitted fees does not mean that the Company must pay the entire amount approved as fees in each year. However, the Board considers that it is reasonable and appropriate to establish this amount as this will provide the Company with the flexibility to attract appropriately qualified non executive Directors and to act quickly if the circumstances require it.

The remuneration of each Director for the year ended 30 June 2021 is detailed in the Annual Report.

The maximum aggregate fees payable to Directors has not been increased since MX1 was admitted to the official list of the ASX in 2015. Since that time, the number of non executive Directors has increased. The Company's business has also expanded with multiple commercial and development products underway in its four business units, adding to the complexity of the Company's operations requiring board oversight.

When the number of non executive Directors increased from four to five in January 2021, all existing non executive Directors voluntarily took a reduction in their fees of between 17% and 42% to ensure the total remuneration paid to them in the 2021 year would remain below the \$300,000 limit.

In July 2020 and February 2021, the Board commissioned independent remuneration consultants to review the overall structure and level of compensation to the Company's Directors. These reviews included benchmarking as well as the use of non cash payments such as Performance Rights to better align Director compensation with Shareholder outcomes. The independent remuneration consultants concluded that the level of Directors' fees paid to non executive Directors and the non executive Chairman were below the relevant benchmarks. They also

recommended the Board consider implementing a long term incentive scheme for Directors, which is the subject of Resolutions 6 – 10 of this Notice of Meeting.

The Board considers that it is reasonable and appropriate at this time to seek an increase in the remuneration pool for non executive Directors for the following reasons:

- the increase is consistent with the recommendations of the Independent Remuneration Consultants;
- due to the expected growth of the Company and increased responsibilities for non executive Directors;
- non executive Directors fees may in the future need to be increased to retain Directors or to attract Directors based in the United States or other global markets where the Company operates;
- to attract new Directors of a calibre required to effectively guide and monitor the business of the Company; and
- to remunerate Directors appropriately for the expectations placed upon them by both the Company and the regulatory environment in which it operates.

If Resolution 5 is passed, the Company will be able to pay its non executive Directors fees (including superannuation) of up to \$700,000 per annum in aggregate. If Resolution 5 is passed, the Company intends to increase the Chairman's base Directors' fees to \$100,000 per annum (including superannuation at the applicable statutory rate) and each of its four other non executive Director's base Directors' fees to \$65,000 per annum (including superannuation at the applicable statutory rate). The proposed long term incentives in Resolutions 6 – 10 are in addition to the above recommendations, however the issue of Shares in lieu of Directors' fees contained in Resolutions 11 – 15 is included in the above recommendations as the Shares would be issued via salary sacrifice of Directors' fees. Further details on the Directors' proposed remuneration is set out in section 7.4.

If Resolution 5 is not passed, the Company will be limited to paying its non executive Directors fees (including superannuation) which do not exceed \$300,000 per annum in aggregate. This may make it more difficult for the Company to attract and retain non executive Directors.

### 6.3 Specific information

ASX Listing Rule 10.17 requires certain information to accompany a Notice of Annual General Meeting in relation to approval sought under ASX Listing Rule 10.17. This information is set out below:

ASX Listing Rule 10.17 requirement	Information
The amount of the increase:	The maximum aggregate non executive Directors' fees are proposed to increase by \$400,000, from \$300,000 to \$700,000.
The maximum aggregate amount of directors' fees that may be paid to all of the Company's non executive Directors:	The maximum aggregate non executive Directors' fees are proposed to be increased to \$700,000.

ASX Listing Rule 10.17 requirement	Information					
Details of any securities issued to a non executive Director under ASX Listing Rules 10.11 or 10.14 with Shareholder approval at any time within the preceding three years:	The following securities have been issued to current and former non executive Directors under ASX Listing Rules 10.11 or 10.15 with Shareholder approval in the prior three years:					
	Meeting date for Shareholder approval	Issue date	ASX Listing Rule	Type of securities	Number of securities	Director
	30 May 2018	15 June 2018	10.11	Convertible notes	1,500	Mr Patrick O'Brien
					500	Mr James McDowell
					500	Ms Yasmin King
					250	Dr Alexander Gosling
					200	Mr David Symons
	19 December 2019	24 December 2019	10.11	Shares	250,000	Dr Alexander Gosling
1,500,000					Mr Patrick O'Brien	
Voting exclusion statement:	A voting exclusion statement in respect of Resolution 5 is contained in the Notice of Annual General Meeting.					

#### 6.4 Directors' recommendations and interests

Noting that each Director has a personal interest in their own remuneration from the Company and, as described in the voting exclusions on this resolution (set out in the Notice of Annual General Meeting), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution, the Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

The Chairman of the Annual General Meeting intends to vote undirected proxies in favour of Resolution 5.

### 7. Resolutions 6 to 10 – Approval of issue of Performance Rights to Mr David Knox (Resolution 6), Mr Patrick O'Brien (Resolution 7), Ms Yasmin King (Resolution 8), Dr Alexander Gosling (Resolution 9) and Mr James McDowell (Resolution 10) under the Employee Equity Plan

#### 7.1 Purpose of resolutions

Resolutions 6 to 10 seek Shareholder approval for the purpose of satisfying ASX Listing Rule 10.14 to allow the issue of Performance Rights to the Company's non executive Directors, being:

- (a) the non executive Chairman, Mr David Knox (or his nominee) – see Resolution 6;
  - (b) non executive Director, Mr Patrick O'Brien (or his nominee) – see Resolution 7;
  - (c) non executive Director, Ms Yasmin King (or her nominee) – see Resolution 8;
  - (d) non executive Director, Dr Alexander Gosling (or his nominee) – see Resolution 9; and
  - (e) non executive Director, Mr James McDowell (or his nominee) – see Resolution 10,
- under the Employee Equity Plan on the terms and conditions set out in Schedule 1. The Employee Equity Plan was last approved by Shareholders at the Company's 2020 annual general meeting.

Under the Employee Equity Plan, each non executive Director will be entitled to receive annual grants of Performance Rights, comprising an amount up to 30% of that non executive Directors' fees.

The Performance Rights would vest in accordance with the same performance hurdles applicable to the Company's leadership team and are detailed in section 7.2 below.

The Board, in conjunction with the Nomination and Remuneration Committee, has determined that the grant of Performance Rights under the Employee Equity Plan to each non executive Director is an appropriate form of long term incentive as it directly aligns a portion of non executive Director remuneration with the growth in Shareholder value.

Resolutions 6 to 10 are proposed as ordinary resolutions. Each resolution is a separate resolution, but is conditional on all of Resolutions 6 to 10 being approved by Shareholders. This means that if any one of Resolutions 6 to 10 is not approved by Shareholders, no issues of Performance Rights will be made in accordance with Resolutions 6 to 10.

## 7.2 Key terms of Performance Rights

Each Performance Right will entitle the holder to one Share upon satisfaction of certain vesting conditions.

The measurement period applicable to each tranche in each offer of Performance Rights is three years unless otherwise determined by the Board.

The Performance Rights will vest upon the achievement of compound TSR of 20% over a three year vesting period, with a target vesting of 50% of the Performance Rights, with the remaining 50% vesting at levels of appreciation greater than the target, up to 200% of the target.

The Performance Rights are otherwise to be granted on the terms of the Employee Equity Plan as summarised in Schedule 1.

## 7.3 Overview of regulatory approval requirements

### (a) *ASX Listing Rules requirements – ASX Listing Rule 10.14*

ASX Listing Rule 10.14 requires shareholder approval to be obtained where a company issues, or agrees to issue, securities under an employee incentive scheme to a director of the company, an associate of the director, or a person whose relationship with the company, director or associate of the director is, in the ASX's opinion, such that approval should be obtained.

As such, Shareholder approval is sought under ASX Listing Rule 10.14 for the issue of Performance Rights to each non executive Director of the Company.

ASX Listing Rule 7.2 (Exception 14) provides that, if an issue of securities is approved for the purposes of ASX Listing Rule 10.14, ASX Listing Rule 7.1 does not apply. Accordingly, the Company is not required to seek approval of the issue of the Performance Rights under ASX Listing Rule 7.1.

If any of Resolutions 6 to 10 are passed, the Company will be able to issue the Performance Rights to the relevant non executive Director who is the subject of that Resolution.

If any of Resolutions 6 to 10 are not passed, the Company will not be able to proceed with the issue of the Performance Rights to the relevant non executive Director who is the subject of that Resolution under Listing Rule 10.14, and will be required to seek approval to issue the Performance Rights to that non executive Director under ASX Listing Rule 10.11. Alternatively, the Company may need to find alternative methods to remunerate those Directors in lieu of those Performance Rights.

**(b) Corporations Act requirements – Chapter 2E**

Chapter 2E of the Corporations Act requires that, for a public company to give a financial benefit to a related party of the public company, the public company must:

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

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

The issue of the Performance Rights constitutes giving a financial benefit and each of Mr David Knox, Mr Patrick O'Brien, Ms Yasmin King, Dr Alexander Gosling and Mr James McDowell respectively is a related party of the Company as he or she is a Director of the Company.

The Directors (other than Mr David Knox in respect of Resolution 6 as he has a material personal interest in Resolution 6, Mr Patrick O'Brien in respect of Resolution 7 as he has a material personal interest in Resolution 7, Ms Yasmin King in respect of Resolution 8 as she has a material personal interest in Resolution 8, Dr Alexander Gosling in respect of Resolution 9 as he has a material personal interest in Resolution 9 and Mr James McDowell in respect of Resolution 10 as he has a material personal interest in Resolution 10) consider that the issue of the Performance Rights constitutes reasonable remuneration given the circumstances of the Company and the position held by each relevant non executive Director. Accordingly, the proposed issue of Performance Rights to each non executive Director falls within the "reasonable remuneration" exception set out in section 211 of the Corporations Act so that shareholder approval is not required for the purposes of Chapter 2E of the Corporations Act.

**(c) Corporations Act requirements – Sections 200B and 200E of the Corporations Act**

The Corporations Act restricts the benefits that can be given to persons who hold a "managerial or executive office" (as defined in the Corporations Act) on leaving their employment with the Company.

Under Sections 200B and 200E of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders or an exemption applies.

Amendments to the Corporations Act in 2009 significantly expanded the scope of these provisions and lowered the threshold for termination benefits that do not require shareholder approval. The term "benefit" has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the rules of the Employee Equity Plan, including the discretion to waive or accelerate vesting conditions in respect of a particular holder of Performance Rights.

While the Employee Equity Plan provides that all unvested Performance Rights are automatically forfeited and lapse on the date of cessation of employment or office, provided the participant is a "Good Leaver" as defined in the Employee Equity Plan, the Board retains the discretion to determine otherwise. Accordingly, Shareholder approval is sought for each of Mr David Knox, Mr Patrick O'Brien, Ms Yasmin King, Dr Alexander Gosling and Mr James McDowell respectively to

be given any benefit at the discretion of the Board in relation to the accelerated vesting of Performance Rights upon their retirement from office or employment with the Company if that occurs within 3 years of the date of this Annual General Meeting.

If Shareholder approval is given under Resolutions 6 to 10 (as applicable), the Company will still be required to comply with ASX Listing Rules 10.18 and 10.19, which place restrictions on the circumstances in which termination benefits can be paid and a cap on the value of termination benefits that can be paid to officers of the Company.

The value of the benefit cannot be determined at the date of this Notice of Annual General Meeting and will depend on the number of Performance Rights that may vest and the market value of the Shares at the time of cessation of employment.

#### 7.4 Specific information

ASX Listing Rule 10.15 requires certain information to accompany a Notice of Annual General Meeting in relation to approval sought under ASX Listing Rule 10.14. This information is set out below:

ASX Listing Rule 10.15 requirement	Information				
	Resolution 6	Resolution 7	Resolution 8	Resolution 9	Resolution 10
Name of the person:	Mr David Knox.	Mr Patrick O'Brien.	Ms Yasmin King.	Dr Alexander Gosling.	Mr James McDowell.
Category in ASX Listing Rules 10.14.1 – 10.14.3 the person falls into:	Each person is a Director of the Company.				
Number and class of securities proposed to be issued to the person under the plan:	Subject always to the terms of the Employee Equity Plan, the maximum aggregate number of Performance Rights (being the nature of the financial benefit being provided) to be granted to each person will be calculated to be the equivalent of 30% of his or her base Directors' fees at the time of issue.				
	At the date of this Notice of Annual General Meeting, the amount that is calculated to be 30% of Mr David Knox's base Director's fees is \$17,400. If Resolution 5 is passed, the amount that is calculated to be 30% of Mr David Knox's increased base Director's fees of \$100,00 is \$30,000.	At the date of this Notice of Annual General Meeting, the amount that is calculated to be 30% of Mr Patrick O'Brien's base Director's fees is \$17,400. If Resolution 5 is passed, the amount that is calculated to be 30% of Mr Patrick O'Brien's increased base Director's fees of \$65,000 is \$19,500.	At the date of this Notice of Annual General Meeting, the amount that is calculated to be 30% of Ms Yasmin King's base Director's fees is \$17,400. If Resolution 5 is passed, the amount that is calculated to be 30% of Ms Yasmin King's increased base Director's fees of \$65,000 is \$19,500.	At the date of this Notice of Annual General Meeting, the amount that is calculated to be 30% of Dr Alexander Gosling's base Director's fees is \$17,400. If Resolution 5 is passed, the amount that is calculated to be 30% of Dr Alexander Gosling's increased base Director's fees of \$65,000 is \$19,500.	At the date of this Notice of Annual General Meeting, the amount that is calculated to be 30% of Mr James McDowell's base Director's fees is \$17,400. If Resolution 5 is passed, the amount that is calculated to be 30% of Mr James McDowell's increased base Director's fees of \$65,000 is \$19,500.

ASX Listing Rule 10.15 requirement	Information															
	Resolution 6			Resolution 7			Resolution 8			Resolution 9			Resolution 10			
	Refer to the tables below which sets out worked examples for the aggregate number of Performance Rights to be granted to each person in each year.															
	In the tables below:															
	<ul style="list-style-type: none"><li>we have set out three examples where the Share price is \$0.32 (which is the Share price at 24 September 2021), where the Share price has decreased to \$0.28 and where the Share price has increased to \$0.36;</li><li>we have set out two examples where each person's base directors' fees has been assumed to be his or her current base directors' fees or his or her base directors' fees if Resolution 5 is passed. Otherwise, no person's base directors' fees are assumed to increase. These are indicative only; and</li><li>it has been assumed that each person will receive the maximum aggregate number of Performance Rights, that being equivalent of 30% of his or her base directors' fees at the time of issue.</li></ul>															
	Please note that this table contains worked examples only and is therefore by no means indicative of the maximum number of rights to be issued to each person under the Employee Equity Plan.															
	Aggregate number of Performance Rights to be granted to															
		Mr David Knox			Mr Patrick O'Brien			Ms Yasmin King			Dr Alexander Gosling			Mr James McDowell		
	30% of base Director's fees	Share price														
		28c	32c	36c	28c	32c	36c	28c	32c	36c	28c	32c	36c	28c	32c	36c
	Number of rights to be issued assuming current base Director's fees <sup>1</sup>	62.1	54.4	48.3	62.1	54.4	48.3	62.1	54.4	48.3	62.1	54.4	48.3	62.1	54.4	48.3
	Number of rights to be issued assuming Resolution 5 is passed <sup>2</sup> and Base Director's fees are increased	107.1	93.7	83.3	69.6	60.9	54.2	69.6	60.9	54.2	69.6	60.9	54.2	69.6	60.9	54.2
The Share price to be used in calculating grants of rights under the Employee Equity Plan (both for the purpose of calculating the number of rights to be issued and the commencement price for the performance hurdles) is to be the 30 day Volume Weighted Average Price (VWAP) at the time of the offer of the grant, and will not be lower than the Share price used in calculating the grants of rights under the Employee Equity Plan to employees on 30 September 2021.																
Upon exercise, each person will be issued with one Share for each Performance Right.																
Details (including the amount) of the Director's current total remuneration package:	As at the date of this Notice of Meeting, Mr David Knox's total remuneration package is \$58,000			As at the date of this Notice of Meeting, Mr Patrick O'Brien's total remuneration package is \$58,000			As at the date of this Notice of Meeting, Ms Yasmin King's total remuneration package is \$58,000			As at the date of this Notice of Meeting, Dr Alexander Gosling's total remuneration package is \$58,000			As at the date of this Notice of Meeting, Mr James McDowell's total remuneration package is \$58,000 (including superannuation).			

<sup>1</sup> In \$000, rounded up.<sup>2</sup> In \$000, rounded up.

ASX Listing Rule 10.15 requirement	Information				
	Resolution 6	Resolution 7	Resolution 8	Resolution 9	Resolution 10
	<p>(including superannuation).</p> <p>Mr David Knox's total remuneration package will increase to:</p> <ul style="list-style-type: none"> <li>\$100,000 in Directors' fees if Resolution 5 is passed, of which up to all of this may be satisfied in Shares if Resolution 12 is passed; and</li> <li>93,750 Performance Rights if Resolution 6 is passed, which have been assumed to be issued at 32 cents. Rights will be independently valued using a Monte Carlo simulation.</li> </ul>	<p>(including superannuation).</p> <p>Mr Patrick O'Brien's total remuneration package will increase to:</p> <ul style="list-style-type: none"> <li>\$65,000 in Directors' fees if Resolution 5 is passed, of which up to all of this may be satisfied in Shares if Resolution 13 is passed; and</li> <li>60,938 Performance Rights if Resolution 7 is passed, which have been assumed to be issued at 32 cents. Rights will be independently valued using a Monte Carlo simulation.</li> </ul>	<p>(including superannuation).</p> <p>Ms Yasmin King's total remuneration package will increase to:</p> <ul style="list-style-type: none"> <li>\$65,000 in Directors' fees if Resolution 5 is passed, of which up to all of this may be satisfied in Shares if Resolution 14 is passed; and</li> <li>60,938 Performance Rights if Resolution 8 is passed, which have been assumed to be issued at 32 cents. Rights will be independently valued using a Monte Carlo simulation.</li> </ul>	<p>(including superannuation).</p> <p>Dr Alexander Gosling's total remuneration package will increase to:</p> <ul style="list-style-type: none"> <li>\$65,000 in Directors' fees if Resolution 5 is passed, of which up to all of this may be satisfied in Shares if Resolution 15 is passed; and</li> <li>60,938 Performance Rights if Resolution 9 is passed, which have been assumed to be issued at 32 cents. Rights will be independently valued using a Monte Carlo simulation.</li> </ul>	<p>Mr James McDowell's total remuneration package will increase to:</p> <ul style="list-style-type: none"> <li>\$65,000 in Directors' fees if Resolution 5 is passed, of which up to all of this may be satisfied in Shares if Resolution 16 is passed; and</li> <li>60,938 Performance Rights if Resolution 10 is passed, which have been assumed to be issued at 32 cents. Rights will be independently valued using a Monte Carlo simulation.</li> </ul>
Number of securities previously issued to the person under the plan:	Nil.				

ASX Listing Rule 10.15 requirement	Information				
	Resolution 6	Resolution 7	Resolution 8	Resolution 9	Resolution 10
If the securities are not fully paid ordinary securities, a summary of the material terms of the securities, explanation of why that type of security is being used and the value the entity attributes to that security and its basis:	Please refer to sections 7.1 and 7.2 of the Explanatory Statement.				
	The Performance Rights to be issued to Mr David Knox will be independently valued using a Monte Carlo simulation.	The Performance Rights to be issued to Mr Patrick O'Brien will be independently valued using a Monte Carlo simulation.	The Performance Rights to be issued to Ms Yasmin King will be independently valued using a Monte Carlo simulation.	The Performance Rights to be issued to Dr Alexander Gosling will be independently valued using a Monte Carlo simulation.	The Performance Rights to be issued to Mr James McDowell will be independently valued using a Monte Carlo simulation.
Date(s) the person will be issued with securities under the plan:	At the date of this Notice of Annual General Meeting, the Performance Rights are anticipated to be issued in three tranches in December 2021, September 2022 and September 2023 but in any event will be issued no later than 3 years after this Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).				
Price of securities issued to the person under the plan:	The Performance Rights will be granted for nil cash consideration and no consideration will be payable upon the vesting of the Performance Rights. Accordingly, no funds will be raised from the issue or vesting of the Performance Rights.				
Material terms of the plan:	The terms and conditions of the Employee Equity Plan are set out in Schedule 1.				
Material terms of any loan that will be made to the person in relation to the acquisition:	No loan will be provided to any of these persons with respect to the Performance Rights.				
Statement:	<p>Details of any securities issued under the Employee Equity Plan will be published in each annual report of the Company relating to a period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.</p> <p>Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in the Employee Equity Plan after this Resolution was approved and who were not named in the Notice of Annual General Meeting will not participate until shareholder approval is obtained under ASX Listing Rule 10.14.</p>				
Voting exclusion statement:	A voting exclusion statement in respect of each of Resolutions 6 to 10 is contained in the Notice of Annual General Meeting.				

## 7.5 Directors' recommendations and interests

Other than as expressly stated below, the Directors unanimously recommend that Shareholders vote in favour of Resolutions 6 to 10.

Mr David Knox has an interest in the outcome of Resolution 6 so abstains from providing a recommendation on Resolution 6.

Mr Patrick O'Brien has an interest in the outcome of Resolution 7 so abstains from providing a recommendation on Resolution 7.

Ms Yasmin King has an interest in the outcome of Resolution 8 so abstains from providing a recommendation on Resolution 8.

Dr Alexander Gosling has an interest in the outcome of Resolution 9 so abstains from providing a recommendation on Resolution 9.

Mr James McDowell has an interest in the outcome of Resolution 10 so abstains from providing a recommendation on Resolution 10.

Each Director who is also a Shareholder and who is not otherwise restricted from voting intends to vote in favour of Resolutions 6 to 10.

The Chairman of the Annual General Meeting intends to vote undirected proxies in favour of Resolutions 6 to 10.

## 8. Resolution 11 – Approval of 10% Placement Capacity

### 8.1 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 annual general meeting (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% Placement Capacity.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that, at the date of the special resolution under ASX Listing Rule 7.1A, is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

"Equity securities" includes shares, unit, options, convertible securities, rights to shares, units or options and other securities ASX classifies as equity securities (**Equity Securities**).

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Capacity.

The exact number of Equity Securities capable of being issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (see below).

The Company continues to see material upside in further investment in its current commercialisation activities as well as ongoing development projects in its four Business Units. Should the Company utilise the 10% Placement Capacity, it intends to use the funds raised to carry out further work on its current projects and/or to meet additional working capital requirements.

### 8.2 Overview of regulatory requirements

#### (a) *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 annual general meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (virtually, in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

**(b) 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, as at the date of the Notice of Annual General Meeting, has on issue three classes of Equity Securities, those being quoted fully paid ordinary shares, unlisted convertible notes and unlisted performance rights.

**(c) Formula for calculating 10% Placement Capacity**

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12-month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

**(A x D) – E**

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (iv) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% Placement Capacity.

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue where the issue or agreement has not subsequently approved by shareholders under ASX Listing Rule 7.4.

**(d) ASX Listing Rules 7.1 and 7.1A**

The ability of an entity to issue Equity Securities under ASX Listing Rule 7.1A is in addition to the entity's 15% Placement Capacity under ASX Listing Rule 7.1.

At the date of this Notice of Annual General Meeting, the Company has on issue 459,925,631 Shares and therefore has capacity to issue:

- (i) subject to Shareholder approval being obtained under Resolution 4, 68,988,844 Equity Securities under ASX Listing Rule 7.1; and
- (ii) subject to Shareholder approval being obtained under this Resolution 11, 45,992,563 Equity Securities under ASX Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

**(e) Minimum Issue Price**

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

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

**(f) 10% Placement Period**

Shareholder approval of the 10% Placement Capacity under ASX Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (ii) the time and date of the entity's next annual general meeting; or
- (iii) the date of the approval by shareholders 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),

**(10% Placement Period).**

**8.3 ASX Listing Rule 7.1A**

If Resolution 11 is passed, the Company will be able to issue Equity Securities under ASX Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

If Resolution 11 is not passed, the Company will not be able to issue Equity Securities under ASX Listing Rule 7.1A during the 10% Placement Period, and will remain subject to the 15% limit on the issue of Equity Securities without Shareholder approval set out in ASX Listing Rule 7.1.

Resolution 11 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (virtually, in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

**8.4 Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval under ASX Listing Rule 7.1A at its annual general meeting held on 18 November 2020.

In the 12 months preceding the date of the Annual General Meeting (that is, 19 November 2021), the Company has issued 35,788,120 Equity Securities pursuant to ASX Listing Rule 7.1A.2.

**8.5 Specific information required by ASX Listing Rule 7.3A**

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

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or

- (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 11 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. Shareholders may be exposed to economic risk and voting dilution, including the following:
- (i) the market price for the Company's Equity Securities in that class may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (ii) 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,
- which may have an effect on the amount of funds raised by the issue of the Equity Securities.
- (c) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at the date of this Notice of Annual General Meeting.
- (d) The table also shows:
- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in ASX Listing Rule 7.1A.2		Dilution		
		\$0.16 50% decrease in Issue Price	\$0.32 Issue Price	\$0.64 100% increase in Issue Price
<b>Current Variable A</b> 460,127,745 Shares	<b>10% Voting Dilution</b>	46,012,775 Shares	46,012,775 Shares	46,012,775 Shares
	<b>Funds raised</b>	\$7,362,044	\$14,724,088	\$29,448,176
<b>50% increase in current Variable A</b> 690,191,618 Shares	<b>10% Voting Dilution</b>	69,019,162 Shares	69,019,162 Shares	69,019,162 Shares
	<b>Funds raised</b>	\$11,043,066	\$22,086,132	\$44,172,264
<b>100% increase in current Variable A</b> 920,255,490 Shares	<b>10% Voting Dilution</b>	92,025,549 Shares	92,025,549 Shares	92,025,549 Shares

	<b>Funds raised</b>	\$14,724,088	\$29,448,176	\$58,896,352
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- (e) The table has been prepared on the following assumptions:
- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity.
  - (ii) No options, performance rights or convertible notes (including any of those Equity Securities issued under the 10% Placement Capacity) are exercised into Shares before the date of the issue of the Equity Securities.
  - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Annual General Meeting.
  - (v) The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% Placement Capacity under ASX Listing Rule 7.1.
  - (vi) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes options, performance rights or convertible notes, it is assumed that those relevant Equity Securities are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
  - (vii) The issue price is \$0.32, being the price of the Shares on ASX on 24 September 2021.
- (f) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 11 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities or ASX Listing Rule 11.2 (disposal of main undertaking).
- (g) The Company may seek to issue the Equity Securities for cash consideration. In such circumstances the Company intends to use the funds raised to carry out further work on its current projects and/or to meet additional working capital requirements.
- (h) The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A upon the issue of any Equity Securities.
- (i) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (iii) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
  - (iv) the effect of the issue of the Equity Securities on the control of the Company;

- (v) the financial situation and solvency of the Company; and
- (vi) advice from corporate, financial and broking advisers (if applicable).
- (j) The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice of Annual General Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.
- (k) In the 12 months preceding the date of this Annual General Meeting, the Company has issued 35,788,120 Equity Securities pursuant to ASX Listing Rule 7.1A and has not agreed to issue any Equity Securities. The details of those issues are set out below:

ASX Listing Rule 7.3A.6(b) requirement	Information
The name of the persons to whom the Company issued or agreed to issue the securities or the basis on which those persons were identified or selected:	Sophisticated and/or professional and/or other investors in accordance with sections 708(8), 708(10) and 708(11) of the Corporations Act, at the discretion of the Board. None of the investors comprised a related party of the Company, a member of the Company's key management personnel, an adviser to the Company or an associate of any of the above.
The number and class of Equity Securities issued or agreed to be issued:	35,788,120 fully paid Shares.
The price at which the Equity Securities were issued or agreed to be issued and the discount (if any) that the issue price represented to closing market price on the date of issue or agreement:	The Shares were issued at \$0.34 per Share, which represented a 2.9% discount to the closing market price on the date of issue.
The total cash consideration received or to be received by the Company, the amount of that cash that has been spent, what it was spent on, and what is the intended use for the remaining amount of that cash (if any):	The Company received \$12,167,960.80 as part of a \$34.0M capital raise with the funds being applied in accordance with the Use of Funds table disclosed at the time of the capital raise.

- (l) A voting exclusion statement is included in the Notice of Annual General Meeting. At the date of this Notice of Annual General Meeting, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in an issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Annual General Meeting.

## 8.6 Directors' recommendations and interests

The Directors unanimously recommend that Shareholders vote in favour of Resolution 11.

Each Director who is also a Shareholder and who is not otherwise restricted from voting intends to vote in favour of Resolution 11.

The Chairman of the Annual General Meeting intends to vote undirected proxies in favour of Resolution 11.

## 9. Resolutions 12 to 16 – Approval of issue of Shares to Mr David Knox (Resolution 12), Mr Patrick O'Brien (Resolution 13), Ms Yasmin King (Resolution 14), Dr Alexander Gosling (Resolution 15) and Mr James McDowell (Resolution 16) in Lieu of Cash Payments for Directors' Fees

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### 9.1 Purpose of resolutions

Resolutions 12 to 16 seek Shareholder approval for the purpose of satisfying ASX Listing Rule 10.11 to allow the issue of Shares to the Company's non executive Directors in lieu of cash payments for their directors' fees as a form of salary sacrifice, being:

- (a) the non executive Chairman, Mr David Knox (or his nominee) – see Resolution 12;
- (b) non executive Director, Mr Patrick O'Brien (or his nominee) – see Resolution 13;
- (c) non executive Director, Ms Yasmin King (or hers nominee) – see Resolution 14;
- (d) non executive Director, Dr Alexander Gosling (or his nominee) – see Resolution 15; and
- (e) non executive Director, Mr James McDowell (or his nominee) – see Resolution 16.

Resolutions 12 to 16 are proposed as ordinary resolutions. Each resolution is a separate resolution.

### 9.2 Overview of regulatory approval requirements

#### (a) *ASX Listing Rules requirements – ASX Listing Rule 10.11*

ASX Listing Rule 10.11 requires shareholder approval to be obtained where a company issues, or agrees to issue, securities to a related party of the company, an associate of that related party or other persons caught by ASX Listing Rule 10.11. A related party of the company includes a director of that company.

As such, Shareholder approval is sought under ASX Listing Rule 10.11 for the issue of Shares to each non executive Director of the Company.

ASX Listing Rule 7.2 (Exception 14) provides that, if an issue of securities is approved for the purposes of ASX Listing Rule 10.11, ASX Listing Rule 7.1 does not apply. Accordingly, the Company is not required to seek approval of the issue of the Shares under ASX Listing Rule 7.1.

If any of Resolutions 12 to 16 are not passed, the Company will not be able to proceed with the issue of the Shares to the relevant non executive Director who is the subject of that Resolution under Listing Rule 10.11 and will be required to pay that Director its directors' fees wholly in cash.

#### (b) *Corporations Act requirements – Chapter 2E*

Chapter 2E of the Corporations Act requires that for a public company to give a financial benefit to a related party of the public company, the public company must:

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

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

The issue of the Shares constitutes giving a financial benefit and each of Mr David Knox, Mr Patrick O'Brien, Ms Yasmin King, Dr Alexander Gosling and Mr James McDowell respectively is a related party of the Company as he or she is a Director of the Company.

The Directors (other than Mr David Knox in respect of Resolution 12 as he has a material personal interest in Resolution 12, Mr Patrick O'Brien in respect of Resolution 13 as he has a material personal interest in Resolution 13, Ms Yasmin King in respect of Resolution 14 as she has a material personal interest in Resolution 14, Dr Alexander Gosling in respect of Resolution 15 as he has a material personal interest in Resolution 15 and Mr James McDowell in respect of Resolution 16 as he has a material personal interest in Resolution 16) consider that the issue of the Shares constitutes reasonable remuneration given the circumstances of the Company and the position held by each relevant non executive Director. Accordingly, the proposed issue of Shares to each non executive Director falls within the "reasonable remuneration" exception set out in section 211 of the Corporations Act so that shareholder approval is not required for the purposes of Chapter 2E of the Corporations Act.

### 9.3 Specific information

ASX Listing Rule 10.13 requires certain information to accompany a Notice of Annual General Meeting in relation to approval sought under ASX Listing Rule 10.11. This information is set out below:

ASX Listing Rule 10.13 requirement	Information				
	Resolution 12	Resolution 13	Resolution 14	Resolution 15	Resolution 16
Name of the person:	Mr David Knox.	Mr Patrick O'Brien.	Ms Yasmin King.	Dr Alexander Gosling.	Mr James McDowell.
Category in ASX Listing Rules 10.11.1 – 10.11.5 the person falls into:	Each person is a related party of the Company as he or she is a Director.				
Number and class of securities proposed to be issued to the person:	The maximum aggregate number of fully paid ordinary Shares to be issued to Mr David Knox is that percentage of his Director's fees he elects to sacrifice multiplied by the applicable issue price. For example, if Mr Knox elects to sacrifice 50% of his fees, being \$50,000 and the applicable issue price is 32 cents, then Mr Knox will be issued with 156,250 Shares in lieu of the	The maximum aggregate number of fully paid ordinary Shares to be issued to Mr Patrick O'Brien is that percentage of his Director's fees he elects to sacrifice multiplied by the applicable issue price. For example, if Mr O'Brien elects to sacrifice 50% of his fees, being \$32,500 and the applicable issue price is 32 cents, then Mr O'Brien will be issued with 101,563 Shares in lieu of the	The maximum aggregate number of fully paid ordinary Shares to be issued to Ms Yasmin King is that percentage of her Director's fees she elects to sacrifice multiplied by the applicable issue price. For example, if Ms King elects to sacrifice 50% of her fees, being \$32,500 and the applicable issue price is 32 cents, then Ms King will be issued with 101,563 Shares in lieu of the	The maximum aggregate number of fully paid ordinary Shares to be issued to Dr Alexander Gosling is that percentage of his Director's fees he elects to sacrifice multiplied by the applicable issue price. For example, if Dr Gosling elects to sacrifice 50% of his fees, being \$32,500 and the applicable issue price is 32 cents, then Dr Gosling will be issued with 101,563 Shares in lieu of the	The maximum aggregate number of fully paid ordinary Shares to be issued to Mr James McDowell is that percentage of his Director's fees he elects to sacrifice multiplied by the applicable issue price. For example, if Mr McDowell elects to sacrifice 50% of his fees, being \$32,500 and the applicable issue price is 32 cents, then Mr McDowell will be issued with 101,563 Shares in lieu of the payment of \$32,500 in cash.

ASX Listing Rule 10.13 requirement	Information				
	Resolution 12	Resolution 13	Resolution 14	Resolution 15	Resolution 16
	<p>payment of \$50,000 in cash.</p> <p>If Mr Knox elected to sacrifice 100% of his fees, then assuming an issue price of 32 cents, Mr Knox will be issued with 312,500 Shares in lieu of the payment of \$100,000 in cash.</p>	<p>payment of \$32,500 in cash.</p> <p>If Mr O'Brien elected to sacrifice 100% of his fees, then assuming an issue price of 32 cents, Mr O'Brien will be issued with 203,126 Shares in lieu of the payment of \$65,000 in cash.</p>	<p>of the payment of \$32,500 in cash.</p> <p>If Ms King elected to sacrifice 100% of her fees, then assuming an issue price of 32 cents, Ms King will be issued with 203,126 Shares in lieu of the payment of \$65,000 in cash.</p>	<p>payment of \$32,500 in cash.</p> <p>If Dr Gosling elected to sacrifice 100% of his fees, then assuming an issue price of 32 cents, Dr Gosling will be issued with 203,126 Shares in lieu of the payment of \$65,000 in cash.</p>	<p>If Mr McDowell elected to sacrifice 100% of his fees, then assuming an issue price of 32 cents, Mr McDowell will be issued with 203,126 Shares in lieu of the payment of \$65,000 in cash.</p>
The date or dates by which the Company will issue the securities:	<p>The Company will issue the Shares no later than 7 November 2022. The Company has obtained a waiver from ASX to permit it to issue the Shares more than one month after the date of the Annual General Meeting subject to the following conditions:</p> <ul style="list-style-type: none"> <li>this Notice states that the Shares will be issued by no later than 7 November 2022;</li> <li>this Notice includes a worked example of the dilutionary effect of the issue of these Shares on existing Shareholders using three different prices – refer to section 9.4; and</li> <li>the annual report of the Company discloses details of the number of Shares issued, including the percentage of the Company's issued capital represented by those Shares.</li> </ul>				
The price or other consideration the Company will receive for the issue:	<p>The Shares will be issued in lieu of making cash payments to the Directors of their directors' fees. The Shares will be issued at a deemed issue price of the 30 day VWAP up to and including the last day of each quarter.</p>				
The purpose of the issue:	<p>The non executive Directors may elect to receive up to all of their Directors' fees for the 12 months commencing 20 November 2021 in Shares instead of cash. As such, any Shares issued will be issued in lieu of the Company making cash payments to the Directors of their Directors' fees.</p>				
Details (including the amount) of the Director's current total remuneration package:	<p>Please refer to section 7.4 of the Explanatory Statement.</p>				
Voting exclusion statement:	<p>A voting exclusion statement in respect of each of Resolutions 12 to 16 is contained in the Notice of Annual General Meeting.</p>				

#### 9.4 Dilutionary impact

Micro-X expects the dilutionary impact of the Directors receiving Shares in lieu of their fees to be as follows:

Ordinary shares	Current	Assuming 50% of Directors' fees sacrificed						
		%	\$0.27	%	\$0.298	%	\$0.33	%
Current ordinary shares	460,127,745	100	460,127,745	99.86	460,127,745	99.87	460,127,745	99.88
Ordinary shares to be issued under the Transaction	0	0	666,667	0.14	604,030	0.13	545,455	0.12
<b>Total</b>	<b>460,127,745</b>	<b>100</b>	<b>460,794,412</b>	<b>100</b>	<b>460,731,775</b>	<b>100</b>	<b>460,673,200</b>	<b>100</b>

based on the following assumptions:

- the Shares are issued at \$0.298, based on MX1's 3 month VWAP as at 31 August 2021, a 10% decrease, \$0.27 and a 10% increase, \$0.33;
- each of the non executive Directors elect to receive 50% of their remuneration as Remuneration Shares;
- the non executive Directors' fees for the Remuneration Period are as follows:
  - \$100,000 for Mr David Knox;
  - \$65,000 for Mr Patrick O'Brien;
  - \$65,000 for Ms Yasmin King;
  - \$65,000 for Dr Alexander Gosling;
  - \$65,000 for Mr Jim McDowell; and
- none of the other securities which MX1 has on issue (being options, rights and convertible notes) are exercised into ordinary Shares by or on completion of the issue of these Shares to Directors.

#### 9.5 Directors' recommendations and interests

Other than as expressly stated below, the Directors unanimously recommend that Shareholders vote in favour of Resolutions 12 to 16.

Mr David Knox has an interest in the outcome of Resolution 12 so abstains from providing a recommendation on Resolution 12.

Mr Patrick O'Brien has an interest in the outcome of Resolution 13 so abstains from providing a recommendation on Resolution 13.

Ms Yasmin King has an interest in the outcome of Resolution 14 so abstains from providing a recommendation on Resolution 14.

Dr Alexander Gosling has an interest in the outcome of Resolution 15 so abstains from providing a recommendation on Resolution 15.

Mr James McDowell has an interest in the outcome of Resolution 16 so abstains from providing a recommendation on Resolution 16.

Each Director who is also a Shareholder and who is not otherwise restricted from voting intends to vote in favour of Resolutions 12 to 16.

The Chairman of the Annual General Meeting intends to vote undirected proxies in favour of Resolutions 12 to 16.

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**Schedule 1****Summary of Employee Equity Plan**

The terms of the Employee Equity Plan are summarised below. A copy of the Employee Equity Plan can be obtained by contacting the Company. Terms not defined in this Notice of Annual General Meeting have the meaning given in the Employee Equity Plan.

<b>Term</b>	<b>Information</b>
<b>Eligibility:</b>	The Board may in its absolute discretion invite employees who it determines are eligible to participate in the Employee Equity Plan to apply for Performance Rights under the Employee Equity Plan on the terms set out in the Rules and any other terms the Board considers appropriate.
<b>Vesting conditions:</b>	The vesting of Performance Rights granted under the Employee Equity Plan may be conditional on the satisfaction of performance and/or service conditions as determined by the Board and advised to the employee in his or her Offer Letter.
<b>Other permitted vesting:</b>	<p>The Board may determine that a Performance Right will become a Vested Performance Right, whether or not any or all applicable Vesting Conditions have been satisfied if (in the Board's opinion) one of the following events has occurred or is likely to occur:</p> <ul style="list-style-type: none"> <li>• the merger or consolidation of the Company into another company;</li> <li>• if a takeover bid is made in respect of the Company and the Board recommends acceptance to shareholders;</li> <li>• if a scheme of arrangement is made or undertaken in respect of the Company, and the Board in its absolute discretion determines exercise to be appropriate;</li> <li>• any event similar to those described above involving a change in ownership or control of the Company or all or substantial part of the assets of the Company; or</li> <li>• any other event as determined by the Board in its absolute discretion.</li> </ul> <p>The Board has the discretion to waive or accelerate vesting conditions in respect of a particular Holder.</p>
<b>Exercise of Performance Rights:</b>	Unless the Board determines otherwise, a Participant must provide the Company with a Notice to Exercise Form if the Participant has satisfied any relevant vesting conditions and wishes to exercise the Performance Rights.
<b>Price:</b>	Unless the Board determines otherwise, no payment is required for the grant of Performance Rights under the Employee Equity Plan.
<b>Lapse/forfeiture:</b>	<p>A Performance Right automatically lapses immediately after:</p> <ul style="list-style-type: none"> <li>• if that Performance Right is a Unvested Performance Right, the latest time at which that Performance Right may become a Vested Performance Right, as specified in the Offer Letter; or</li> <li>• if that Performance Right is a Vested Performance Right, the latest time at which that Performance Right may be exercised, as specified in the Offer Letter.</li> </ul> <p>The Board may revise the exercise period specified in the Offer Letter for the Performance Rights, which will then lapse at the end of that revised period.</p>

Term	Information
	<p>If a Participant is a Good Leaver, then on the date of cessation of employment or office or contract:</p> <ul style="list-style-type: none"> <li>all Unvested Performance Rights held by the Participant will be automatically forfeited and automatically lapse; and</li> <li>all Vested Performance Rights held by the Participant may be exercised during, where the Participant is a Good Leaver as a result of death or permanent disability, the 120 day period following the date of cessation of employment or office or contract and, in any other case, the 30 day period following that date, after which time those Vested Performance Rights will automatically lapse,</li> </ul> <p>unless the Board determines otherwise.</p> <p>If the Participant is a Bad Leaver, then on the date of cessation of employment or office or contract, all Performance Rights held by the Participant will be automatically forfeited and automatically lapse.</p> <p>A <b>Bad Leaver</b> means a Participant who ceases employment or office or contractual relations with any member of the Group in circumstances of termination by the relevant Group member as a result of:</p> <ul style="list-style-type: none"> <li>an indictable offence;</li> <li>wilful misconduct, negligence or breach of law; or</li> <li>material breach of the participant's contractual or other legal or equitable duties as an employee or officer of a Group Company,</li> </ul> <p>unless otherwise determined by the Board.</p> <p>A <b>Good Leaver</b> means a Participant who ceases employment or office or contractual relations with any member of the Group in any circumstances other than as a Bad Leaver.</p>
<b>Restrictions on transfer:</b>	<p>Performance Rights must not be Disposed of without the prior written approval of the Board.</p> <p>A Participant must not Dispose of a Performance Right (or a Share acquired on exercise of a Performance Right) that is subject to a Holding Lock without the prior written approval of the Board.</p> <p>A Participant must not enter into a scheme or arrangement that protects the value of Performance Rights granted under the Employee Equity Plan prior to them becoming Vested Performance Rights.</p>
<b>Rights attached to Shares:</b>	<p>Unless the terms of issue of the Performance Rights provide otherwise, Shares issued on the exercise of the Performance Rights will rank equally in all respects with all existing Shares from the date of allotment, including in relation to voting rights, entitlements and entitlements to participate in distributions and dividends, and future rights issues and bonus issues.</p>
<b>Redemption of Performance Rights:</b>	<p>The Board may in its absolute discretion redeem or cancel:</p> <ul style="list-style-type: none"> <li>any Unvested Performance Rights held by a Participant without the consent of that Participant; and</li> <li>any Vested Performance Rights held by a Participant with the consent of that Participant.</li> </ul>
<b>Adjustments:</b>	<p>If the Company makes any new issue of securities or alterations to its capital by way of a rights issue, bonus issue or other distribution of capital, reduction of capital or reconstruction of capital then the Board may make adjustments to the rights attaching to those Performance Rights (including, without limitation,</p>

Term	Information
	to the number of Shares which may be acquired on exercise of the Performance Rights) on any basis it deems fit in its discretion.
<b>New issues:</b>	Unless the Board determines otherwise, a Holder is only entitled to participate (in respect of Performance Rights granted under the Employee Equity Plan) in a new issue of Shares to existing shareholders of the Company if the Holder has validly exercised the Holder's Performance Rights and becomes a Shareholder prior to the relevant record date.
<b>Limits on Performance Rights issued:</b>	<p>Unless otherwise determined by the Board, an offer of Performance Rights may only be made under the Employee Equity Plan at any particular time, if:</p> <ul style="list-style-type: none"> <li>the number of Shares that may be acquired on exercise of rights or options on issue under any Employee Incentive Scheme (including the Employee Equity Plan) in the last three years; plus</li> <li>the number of Shares which would be issued if each already issued and outstanding offer with respect to rights or options over Shares under any Employee Incentive Scheme (including the Employee Equity Plan) was to be accepted,</li> </ul> <p>does not exceed 10% (ten percent) of the total number of issued Shares as of the time of the offer when aggregated with any Shares issued under the Employee Gift Plan, subject to the Class Order.</p>
<b>Indeterminate Rights:</b>	<p>The Board may, in its absolute discretion, issue Indeterminate Rights (as defined in section 83A-340 of the <i>Income Tax Assessment Act 1997</i> (Cth)) to an Eligible Employee or Participant.</p> <p>The Board may satisfy the Indeterminate Rights issued by, at its discretion:</p> <ul style="list-style-type: none"> <li>paying an amount of cash to the Eligible Employee or Participant; or</li> <li>issuing a number of Performance Rights or Shares under the Employee Equity Plan to the Eligible Employee or Participant.</li> </ul> <p>An Eligible Employee or Participant has no discretion as to how the Indeterminate Rights are to be satisfied.</p>
<b>Suspension or termination:</b>	The Employee Equity Plan may be suspended or terminated at any time by resolution of the Board. In the event of a suspension or termination, the Rules will continue to operate with respect to any Performance Rights issued under the Employee Equity Plan prior to that suspension or termination.

# MICRO-X

Micro-X Limited  
ABN 21 153 273 735

## Need assistance?



**Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

MX1

MR SAM SAMPLE  
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THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Micro-X Limited Annual General Meeting

The Micro-X Limited Annual General Meeting will be held on Friday, 19 November 2021 at 10:00am (Adelaide time). You are encouraged to participate in the meeting using the following options:



### MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit [www.investorvote.com.au](http://www.investorvote.com.au) and use the below information:



**Control Number: 999999**  
**SRN/HIN: I9999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

For your proxy appointment to be effective it must be received by 10:00am (Adelaide time) on Wednesday, 17 November 2021.



### ATTENDING THE MEETING VIRTUALLY

To view the live webcast and ask questions on the day of the meeting you will need to visit [https://us02web.zoom.us/webinar/register/WN\\_XuGb3iTQQgmrYLGU3nzXKw](https://us02web.zoom.us/webinar/register/WN_XuGb3iTQQgmrYLGU3nzXKw)

To vote online during the meeting you will need to visit <https://web.lumiagm.com/301226650>  
For instructions refer to the online user guide [www.computershare.com.au/onlinevotingguide](http://www.computershare.com.au/onlinevotingguide)

# MICRO-X

Micro-X Limited  
ABN 21 153 273 735

MX1

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?



**Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (Adelaide time) on Wednesday, 17 November 2021.**

## Proxy Form

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

### PARTICIPATING IN THE MEETING

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) under the help tab, "Printable Forms".

### Lodge your Proxy Form:

**XX**

#### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I9999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

#### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

#### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

☐

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



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I ND

## Proxy Form

Please mark ☒ to indicate your directions

### Step 1

### Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of Micro-X Limited hereby appoint

☐

the Chairman  
of the Meeting

OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Micro-X Limited to be held virtually on Friday, 19 November 2021 at 10.00am (Adelaide time) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5 to 10 and 12 to 16 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 5 to 10 and 12 to 16 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 5 to 10 and 12 to 16 by marking the appropriate box in step 2.

### Step 2

### Items of Business

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

	For	Against	Abstain		For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Approval of issue of Performance Rights to Mr James McDowell under the Employee Equity Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Dr Alexander Gosling as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr James McDowell as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Approval of issue of Shares to Mr David Knox in Lieu of Cash Payments for Directors' Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of issue of the Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13 Approval of issue of Shares to Mr Patrick O'Brien in Lieu of Cash Payments for Directors' Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Increase in Directors' Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14 Approval of issue of Shares to Ms Yasmin King in Lieu of Cash Payments for Directors' Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of issue of Performance Rights to Mr David Knox under the Employee Equity Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15 Approval of issue of Shares to Dr Alexander Gosling in Lieu of Cash Payments for Directors' Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval of issue of Performance Rights to Mr Patrick O'Brien under the Employee Equity Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16 Approval of issue of Shares to Mr James McDowell in Lieu of Cash Payments for Directors' Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval of issue of Performance Rights to Ms Yasmin King under the Employee Equity Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
9 Approval of issue of Performance Rights to Dr Alexander Gosling under the Employee Equity Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### Step 3

### Signature of Securityholder(s)

*This section must be completed.*

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

MX 1

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Computershare



# MICRO-X

Micro-X Limited  
ABN 21 153 273 735

MX1RM

MR RETURN SAMPLE  
123 SAMPLE STREET  
SAMPLE SUBURB  
SAMPLETOWN VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in Micro-X Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited  
GPO Box 2975  
Melbourne Victoria 3001  
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

**Micro-X Limited**