

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Micro-X Limited

ABN / ARBN:

21 153 273 735

Financial year ended:

30 June 2021

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

These pages of our annual report:

This URL on our website: <https://micro-x.com/investors/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 27 August 2021 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 27 August 2021

Name of Director or Secretary authorising Kingsley Hall, Company Secretary

lodgement:

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> at <a href="https://micro-x.com/investors/corporate-governance/">https://micro-x.com/investors/corporate-governance/</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<p>1.5 A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p>◆ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p>◆ <a href="https://micro-x.com/wp-content/uploads/2021/06/MX-Diversity-Policy.pdf">https://micro-x.com/wp-content/uploads/2021/06/MX-Diversity-Policy.pdf</a></p> <p>...and a copy of our diversity statement:</p> <p>◆ <a href="https://micro-x.com/about-us/careers-at-micro-x/">https://micro-x.com/about-us/careers-at-micro-x/</a></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p>◆ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p>◆ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p>◆ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p>◆ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i> ... and the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
<p>2.1</p>	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <a href="https://micro-x.com/investors/corporate-governance/">https://micro-x.com/investors/corporate-governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>2.2</p>	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and, where applicable, the information referred to in paragraph (b): <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="https://micro-x.com/about-us/our-story/">https://micro-x.com/about-us/our-story/</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

3.2	<p>A listed entity should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	<p>... our code of conduct or a summary of it:</p> <p>◆ in our Corporate Governance Statement <b>OR</b></p> <p>◆ at <a href="https://micro-x.com/investors/corporate-governance/">https://micro-x.com/investors/corporate-governance/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
3.3	<p>A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	<p>...our whistleblower policy or a summary of it:</p> <p>◆ in our Corporate Governance Statement <b>OR</b></p> <p>◆ at <a href="https://micro-x.com/wp-content/uploads/2021/05/Whistleblower-Policy.pdf">https://micro-x.com/wp-content/uploads/2021/05/Whistleblower-Policy.pdf</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
3.4	<p>A listed entity should:</p> <p>(c) have and disclose an anti-bribery and corruption policy; and</p> <p>(d) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	<p>...our anti-bribery and corruption or a summary of it:</p> <p>◆ in our Corporate Governance Statement <b>OR</b></p> <p>◆ at <a href="https://micro-x.com/wp-content/uploads/2021/05/Micro-X_-_Fraud_and_Corruption_Policy_6.pdf">https://micro-x.com/wp-content/uploads/2021/05/Micro-X_-_Fraud_and_Corruption_Policy_6.pdf</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
<p>4.1</p>	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p>◆ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p>◆ at <a href="https://micro-x.com/investors/corporate-governance/">https://micro-x.com/investors/corporate-governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>◆ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>4.2</p>	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p>◆ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under the Listing Rule 3.1.	<p>... our continuous disclosure compliance policy or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="https://micro-x.com/investors/corporate-governance/">https://micro-x.com/investors/corporate-governance/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
5.3	A listed entity that gives new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <p><input checked="" type="checkbox"/> at <a href="https://micro-x.com/investors/corporate-governance/">https://micro-x.com/investors/corporate-governance/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="https://micro-x.com/investors/corporate-governance/">https://micro-x.com/investors/corporate-governance/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable</p>
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
<p>7.1</p>	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity’s risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p>◆ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <a href="https://micro-x.com/investors/corporate-governance/">https://micro-x.com/investors/corporate-governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>◆ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>7.2</p>	<p>The board or a committee of the board should:</p> <p>(a) review the entity’s risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity’s risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p>◆ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]                      ... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]                      ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to environmental or social risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="https://micro-x.com/investors/corporate-governance/">https://micro-x.com/investors/corporate-governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <a href="https://micro-x.com/investors/corporate-governance/">https://micro-x.com/investors/corporate-governance/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

# Corporate governance statement

This document discloses the extent to which Micro-X Limited ACN 153 273 735 (**Company**) has followed the recommendations set by the ASX Corporate Governance Council in the third edition of its Corporate Governance Principles and Recommendations (**ASX Recommendations**) during the relevant part of the reporting period.

The Company recognises that the ASX Corporate Governance Council (Council) issued a fourth edition of its Corporate Governance Principles and Recommendations on 27 February 2019, which takes effect for an entity's first full financial year commencing on or after January 2020. For the Company, that date is 30 June 2021.

This document is current and accurate as at 27 August 2021 and has been approved by the board of the Company.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>Principle 1: Lay solid foundations for management and oversight</b>		
<b>Recommendation 1.1</b> A listed entity should disclose: <ul style="list-style-type: none"> <li>(a) the respective roles and responsibilities of its board and management; and</li> <li>(b) those matters expressly reserved to the board and those delegated to management.</li> </ul>	Yes to all	The Company has adopted a Board Charter. The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Board, its Chairman and Company Secretary, details of the Board's relationship with management and the matters delegated to management. A copy of the Company's Board Charter is available on the Company's website ( <a href="https://micro-x.com/investors/corporate-governance/">https://micro-x.com/investors/corporate-governance/</a> ).
<b>Recommendation 1.2</b> A listed entity should: <ul style="list-style-type: none"> <li>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</li> <li>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</li> </ul>	Yes to all	<ul style="list-style-type: none"> <li>(a) The Company has detailed guidelines for the appointment and selection of the Board which require the Board to undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director.</li> <li>(b) All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in a Notice of Meeting pursuant to which the resolution to elect or re-elect a Director will be voted on.</li> </ul>
<b>Recommendation 1.3</b> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Each director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION							
<p><b>Recommendation 1.4</b></p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	Yes	The Board Charter provides that the Company Secretary is accountable directly to the Board, through the chair.							
<p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board:</p> <p>(i) to set measurable objectives for achieving gender diversity; and</p> <p>(ii) to assess annually both the objectives and the entity’s progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <p>(i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity’s diversity policy and its progress towards achieving them; and</p> <p>(ii) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined “senior executive” for these purposes); or</p> <p>(B) the entity’s “Gender Equality Indicators”, as defined in the Workplace Gender Equality Act 2012.</p>	<p>(a) Yes</p> <p>(b) Yes</p> <p>(c) Yes</p>	<p>The Company believes that diversity and inclusion in the workplace are the cornerstones of high organizational performance. The pursuit of diversity creates a workplace environment rich in talent and ideas, which, in turn, drives innovation and original thinking.</p> <p>The Company is committed to inclusion and diversity at all levels of the Company and strives to cultivate an environment of fairness, respect and equal opportunity. The Company recognises the clear corporate benefits of diversity, in that the contribution that people make through their individual backgrounds and perspectives makes us more creative, flexible, productive and competitive. It provides us with the widest pool of available talent, facilitates employee retention, fosters a better understanding of customer needs and values and contributes to our corporate reputation.</p> <p>The Board has adopted a written Diversity and Inclusion Policy (“<b>D&amp;I Policy</b>”). The D&amp;I Policy includes requirements for the Board to set measurable objectives for achieving gender and other forms of diversity, and to assess both the objectives and the Company’s progress in achieving them at the end of each reporting period. A copy of the Company’s Diversity Policy is available on the Company’s website at:  <a href="https://micro-x.com/wp-content/uploads/2021/06/MX-Diversity-Policy.pdf">https://micro-x.com/wp-content/uploads/2021/06/MX-Diversity-Policy.pdf</a>.</p> <p>Set out below are the measurable objectives established by the Board for the financial year commencing 1 July 2020 for achieving diversity and the Company’s progress towards achieving them:</p> <table border="1" data-bbox="1326 1088 2134 1468"> <thead> <tr> <th data-bbox="1326 1088 1675 1145">Objective</th> <th data-bbox="1684 1088 2134 1145">Company Progress</th> </tr> </thead> <tbody> <tr> <td data-bbox="1326 1152 1675 1286">Draft and adopt D&amp;I Statement</td> <td data-bbox="1684 1152 2134 1286">The Company has drafted and adopted its D&amp;I Statement which can be found at:  <a href="https://micro-x.com/about-us/careers-at-micro-x/">https://micro-x.com/about-us/careers-at-micro-x/</a></td> </tr> <tr> <td data-bbox="1326 1292 1675 1468">                     Ensure that all job advertisements/ recruitment efforts:                     <ul style="list-style-type: none"> <li>include a focus on gender and ethnically diverse publications; and</li> <li>include the MX Diversity and</li> </ul> </td> <td data-bbox="1684 1292 2134 1468">                     The Company is in the process of listing the relevant diverse publications for job advertisements, which include LGBTQI, military, Work180.                       Company job descriptions now include the above D&amp;I Statement.                 </td> </tr> </tbody> </table>		Objective	Company Progress	Draft and adopt D&I Statement	The Company has drafted and adopted its D&I Statement which can be found at: <a href="https://micro-x.com/about-us/careers-at-micro-x/">https://micro-x.com/about-us/careers-at-micro-x/</a>	Ensure that all job advertisements/ recruitment efforts: <ul style="list-style-type: none"> <li>include a focus on gender and ethnically diverse publications; and</li> <li>include the MX Diversity and</li> </ul>	The Company is in the process of listing the relevant diverse publications for job advertisements, which include LGBTQI, military, Work180.  Company job descriptions now include the above D&I Statement.
Objective	Company Progress								
Draft and adopt D&I Statement	The Company has drafted and adopted its D&I Statement which can be found at: <a href="https://micro-x.com/about-us/careers-at-micro-x/">https://micro-x.com/about-us/careers-at-micro-x/</a>								
Ensure that all job advertisements/ recruitment efforts: <ul style="list-style-type: none"> <li>include a focus on gender and ethnically diverse publications; and</li> <li>include the MX Diversity and</li> </ul>	The Company is in the process of listing the relevant diverse publications for job advertisements, which include LGBTQI, military, Work180.  Company job descriptions now include the above D&I Statement.								

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		Inclusion statement.	
		Ensure, to the extent possible, a balanced selection of final round candidates for any company position and ensure diversity on all interview panels.	Final round candidates for the Company have included, wherever possible, at least a 30% representation of women. The Company is in the process of implementing a tracking tool for these purposes. The Company maintains a selection process which ensures that all candidates undertake "cultural" interview with as many employees as possible, ensuring diversity on panels.
		Ensure that salaries for a specific job type or level will be the same regardless of gender or cultural background and taking into account relevant skills and experience.	The Company tracks its progress against this objective with salary benchmarking on an annual basis.
		Facilitate and support the participation of women in STEM, manufacturing and product service sectors.	The Company facilitated placements for female and international engineering students as part of its STEM Outreach program.  The Company has hosted multiple facility and premise tours for high school students, with a focus on encouraging the participation of female students, as part of its STEM Outreach program.  The Company's production and manufacturing department increased its female hires to 20% of all hires in 20/21.  The Company hosted female high school work experience students in its engineering and production departments.
		Ensure that MX marketing strategies, plans and materials are prepared and executed with a focus on diversity and inclusivity.	The Company has recently launched its rebranded website, with a focus on diverse and inclusive marketing content, including photos and videos.
	Embrace and highlight focus on	The Company has a new "Careers" recruitment	

		diversity and inclusion on MX website.	page on its re-branded website which includes a dedicated sub-section on the importance of diversity talent in the Company's recruitment efforts.
		Required diversity training for all MX employees (including the Board) on diversity awareness and recognising unconscious bias.	The Company has not yet implemented a diversity training regime but has a short-list of consultants to approach.
		Target majority Company employee participation in inaugural MX diversity and inclusion survey.	The Company included a dedicated sub-section on diversity and inclusivity in its annual cultural survey. This survey obtained a majority employee response rate.
		<p>As at 30 June 2021, women represented:</p> <ul style="list-style-type: none"> <li>• 19% of the Company's workforce (excluding senior executives);</li> <li>• 21% of the Company's workforce (including senior executives);</li> <li>• 33% of the Company's senior executive* positions: and</li> <li>• 16% at the Company Board level.</li> </ul> <p>*For the purposes of this Statement, the Company defines "senior executive" as those who directly report to the CEO/ Managing Director.</p>	

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PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p><b>Recommendation 1.6</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>(a) Yes</p> <p>(b) Yes</p>	<p>(a) The People and Remuneration Committee is responsible for evaluating the performance of the Board and individual Directors will be evaluated on an annual basis. It may do so with the aid of an independent adviser.</p> <p>(b) During the period the Board carried out a self-assessment review. The review references the Board policies in the Board Charter and Directors' Code of Conduct and covers the following matters:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> The Board's effectiveness in the development of the Company's business and operations, and the functionality of each committee in performing its duties;</li> <li><input type="checkbox"/> Interaction between the Board members and between Board members and the management team;</li> <li><input type="checkbox"/> Board functionality – to monitor and control operations, compliance and management; and</li> <li><input type="checkbox"/> The standard of conduct of Board members.</li> </ul> <p>This review is then summarised and reported at the scheduled Board meeting to improve the effectiveness of the Board. The Board identified a need for a Board and Committee skills matrix to be established and a review of Committee structures and compositions to ensure the correct expertise was available for future strategic plans.</p>
<p><b>Recommendation 1.7</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>(a) Yes</p> <p>(b) Yes</p>	<p>(a) The Managing Director is responsible for evaluating the performance of senior executives. The Managing Director provides an update to the People and Remuneration Committee, who subsequently report to the Board. The People and Remuneration Committee are responsible for evaluating the performance of the Managing Director. The People and Remuneration Committee reports results to the Board.</p> <p>(b) Performance evaluations were undertaken during the relevant part of the reporting period.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
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**Principle 2: Structure the board to add value**

**Recommendation 2.1**

The board of a listed entity should:

- (a) have a nomination committee which:
  - (i) has at least three members, a majority of whom are independent directors; and
  - (ii) is chaired by an independent director, and disclose:
    - (iii) the charter of the committee;
    - (iv) the members of the committee; and
    - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.

**Recommendation 2.2**

A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership

Yes to all

- (a) The Company has established a People and Remuneration Committee, which has responsibility for nomination matters.
- (b) A copy of the Committee's Charter is available on the Company's website (<https://micro-x.com/investors/corporate-governance/>).
- (c) The Members of the Committee are:
  - a. Alexander Gosling (Chair), Independent Director;
  - b. David Knox, Independent Director;
  - c. James McDowell, Independent Director.
- (d) The number of times the committee met throughout the period and the individual attendances of the members at those meetings is disclosed in the Director's Report contained in the Company's Annual Report for the reporting period.

The mix of professional experience, skills, expertise and diversity that the board currently has and assesses itself against is as follows:

Skills and Experience	Number of directors (out of six)
<b>Management and leadership</b> Sustained success in business at senior level.	6
<b>International business</b> Experience at leadership or senior level in organisations with multiple global locations with exposure to different political, business and regulatory environments	5
<b>Company growth</b>	6

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		Significant experience in successfully building or growing a business in both existing and new markets.	
		<b>Product Strategy</b> Experience in developing and implementing successful strategies for new and existing products.	5
		<b>Product development and commercialisation</b> Experience in delivering a new product, or improving an existing one, to market for customers and suppliers.	5
		<b>Medical/ Defence/ Security industry experience</b> Experience in the medical, defence and/or security industries.	5
		<b>People management</b> Experience in developing and implenting successful strategies regarding the oversight of management of staff to ensure objectives are delivered.	6
		<b>Governance</b> Extensive experience with organisations that are subject to rigorous governance and compliance standards and an ability to assess the effectiveness of management.	6
		<b>Finance/ Legal</b> Experience at a senior level in financial accounting and reporting, corporate finance and internal financial controls or the provision of legal services to large business enterprises	4
		<b>Cultural and Gender Diversity Skills</b> Experience in inclusive management, cultural awareness and cross-cultural communication.	5
		<b>Cultural leadership and values</b> Create and reinforce norms, behaviours and decision-making processes which reflect the	6

		Company's values.	
		<b>Manufacturing and engineering knowledge</b> Experience at leadership level in the operations of the medical device, engineering or manufacturing industry	4

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PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p><b>Recommendation 2.3</b>  <b>A listed entity should disclose:</b></p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	Yes to all	<p>As at the date of this report, the Board comprises six Directors, five of whom, David Knox, Patrick O'Brien, Alexander Gosling, Yasmin King and James McDowell are considered by the Board to be independent directors.</p> <p>N/A.</p> <p>The Directors' lengths of service are:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Peter Rowland – 9 years and 11 months</li> <li><input type="checkbox"/> Patrick O'Brien – 6 years</li> <li><input type="checkbox"/> Alexander Gosling – 6 years</li> <li><input type="checkbox"/> Yasmin King – 4 years and 9 months</li> <li><input type="checkbox"/> David Knox – 1 year and 4 months</li> <li><input type="checkbox"/> James McDowell – 8 months</li> </ul>
<p><b>Recommendation 2.4</b>  A majority of the board of a listed entity should be independent directors.</p>	Yes	<p>The Board Charter requires that, ideally, the majority of the Board be independent.</p> <p>Five of the six Directors are independent, therefore a majority of the Board of the Company are independent. The Board considers that each of David Knox, Patrick O'Brien, Alexander Gosling, Yasmin King and James McDowell is an Independent Director for the purpose of the ASX Recommendations as each is free from any interest, position, association or relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of their judgement.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p><b>Recommendation 2.5</b></p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	Yes	<p>The Chair, David Knox is an independent Director.</p> <p>The Company's Managing Director and Chief Executive Officer, Peter Rowland, is not the Chair of the Board.</p>
<p><b>Recommendation 2.6</b></p> <p>A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.</p>	Yes	The Company has in place an appropriate induction program.
<b>Principle 3: Act ethically and responsibly</b>		
<p><b>Recommendation 3.1</b></p> <p>A listed entity should articulate and disclose its values.</p>	Yes	<p>The Company has adopted the following values which embody, guide and reinforce the Company's culture, behaviour and actions:</p> <ul style="list-style-type: none"> <li>• Think</li> <li>• Create</li> <li>• Innovate</li> </ul> <p>A statement of the Company's values can be found at:  <a href="https://micro-x.com/about-us/our-story/">https://micro-x.com/about-us/our-story/</a></p>
<p><b>Recommendation 3.2</b></p> <p>A listed entity should:</p> <p>(a) Have and disclose a Code of Conduct for its directors, senior executives and employees; and</p> <p>(b) Ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	Yes	<p>(a) The Company has a Code of Conduct for directors, senior executives and employees.</p> <p>(b) The Code of Conduct is available on the Company's website (<a href="https://micro-x.com/investors/corporate-governance/">https://micro-x.com/investors/corporate-governance/</a>).</p>
<p><b>Recommendation 3.3</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	Yes	<p>(a) The Company has a Whistleblower Policy that demonstrates its commitments to the highest standards of corporate compliance, ethical practice and to the protection of individuals who report suspected wrongdoing.</p>



		<p>The Company's Whistleblower Policy is available on the Company's website at:  <a href="https://micro-x.com/wp-content/uploads/2021/05/Whistleblower-Policy.pdf">https://micro-x.com/wp-content/uploads/2021/05/Whistleblower-Policy.pdf</a></p> <p>(b) Material incidents under the Whistleblower Policy are elevated to the immediate attention of the Company's Board (to the extent not already reported.)</p>
<p><b>Recommendation 3.4</b>  A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and  (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	<p>Yes</p>	<p>(a) The Company has an Anti-bribery, Fraud and Corruption Policy that prohibits all officers, directors and employees from engaging in activity that constitutes bribery, fraud or corruption, and provides definitional guidelines for what constitutes bribery and corruption.</p> <p>The Company's Anti-Bribery, Fraud and Corruption Policy is available on the Company's website at:<a href="https://micro-x.com/wp-content/uploads/2021/05/Micro-X_-_Fraud_and_Corruption_Policy_6.pdf">https://micro-x.com/wp-content/uploads/2021/05/Micro-X -  _Fraud and Corruption Policy 6.pdf</a></p> <p>(b) Material incidents under the Anti-bribery, Fraud and Corruption Policy are elevated to the immediate attention of the Company's Board (to the extent not already reported.)</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>Principle 4: Safeguard integrity in financial reporting</b>		
<p><b>Recommendation 4.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	Yes	<p>(a) The Company has established an Audit and Risk Committee.</p> <p>(b) A copy of the Committee's Charter is available on the Company's website (<a href="https://micro-x.com/investors/corporate-governance/">https://micro-x.com/investors/corporate-governance/</a>)</p> <p>(c) The Members of the Committee are:</p> <p>a. Yasmin King (Chair), Independent Director;</p> <p>b. David Knox, Independent Director; and</p> <p>c. Patrick O'Brien, Independent Director.</p> <p>(d) The qualifications and experience of the Members of the Committee are disclosed in the Director's Report contained in the Company's Annual Report for the reporting period.</p> <p>(e) The number of times the committee met throughout the period and the individual attendances of the members at those meetings is disclosed in the Director's Report contained in the Company's Annual Report for the reporting period.</p>
<p><b>Recommendation 4.2</b></p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	Yes	The Board complies with the Recommendations.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p><b>Recommendation 4.3</b></p> <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	Yes	All periodic corporate reporting which is not externally audited is reviewed by the Audit and Risk Committee, with input from the responsible executives. Once the integrity of the report has been verified, the Audit and Risk Committee recommend to the Board that the information be released.
<b>Principle 5: Make timely and balanced disclosure</b>		
<p><b>Recommendation 5.1</b></p> <p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under the Listing Rules 3.1.</p>	Yes	<p>(a) The Company has a written policy for complying with its continuous disclosure obligations under the Listing Rules.</p> <p>(b) This Continuous disclosure policy is available on the Company's website (<a href="https://micro-x.com/investors/corporate-governance/">https://micro-x.com/investors/corporate-governance/</a>).</p>
<p><b>Recommendation 5.2</b></p> <p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	Yes	ASX announcements are made when the Company's Board or executive management team become aware of information required to be disclosed to the market in accordance with the Listing Rules. Copies of all material market announcements are promptly made available to the Board once they are released.
<p><b>Recommendation 5.3</b></p> <p>A listed entity that gives new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements platform ahead of the presentation.</p>	Yes	Any new and substantive investor or analyst presentation is released to the ASX Market Announcements Platform ahead of the presentation.
<b>Principle 6: Respect the rights of security holders</b>		
<p><b>Recommendation 6.1</b></p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	Yes	Information about the Company's governance is available on the Company's website at ( <a href="https://micro-x.com/investors/corporate-governance/">https://micro-x.com/investors/corporate-governance/</a> ).

<p><b>Recommendation 6.2</b></p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	Yes	<p>The Company has adopted a Shareholder Communications Policy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders.</p> <p>A copy of the policy is available on the Company's website (<a href="https://micro-x.com/investors/corporate-governance/">https://micro-x.com/investors/corporate-governance/</a>).</p>
<p><b>Recommendation 6.3</b></p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	Yes	<p>The Shareholder Communication Policy, which contains the relevant policies and procedures, is available on the Company's website (<a href="https://micro-x.com/investors/corporate-governance/">https://micro-x.com/investors/corporate-governance/</a>).</p>
<p><b>Recommendation 6.4</b></p> <p>A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</p>	Yes	<p>The Company's Constitution permits a poll be called at the election of the Chair. All resolutions called for at the 2020 AGM were determined by poll, and to ensure consistency with the Recommendation, the Company will ensure that all future substantive resolutions will continue to be determined by poll.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p><b>Recommendation 6.5</b></p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	Yes	The Shareholder Communication Policy provides for this facility.
<b>Principle 7: Recognise and manage risk</b>		
<p><b>Recommendation 7.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p>	Yes	<p>(a) The Company has established an Audit and Risk Committee, which is responsible for overseeing risk.</p> <p>(b) A copy of the Committee's Charter is available on the Company's website</p>
<p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>		<p>(c) <a href="https://micro-x.com/investors/corporate-governance/">https://micro-x.com/investors/corporate-governance/</a>.</p> <p>(c) The Members of the Committee are:</p> <p>a. Yasmin King (Chair), Independent Director;</p> <p>b. Patrick O'Brien, Independent Director; and</p> <p>c. David Knox, Independent Director.</p> <p>(d) The number of times the committee met throughout the period and the individual attendances of the members at those meetings is disclosed in the Director's Report contained in the Company's Annual Report for the reporting period.</p>
<p><b>Recommendation 7.2</b></p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	<p>(a) Yes</p> <p>(b) Yes</p>	<p>The Audit and Risk Committee reviews the risk management framework at least annually.</p> <p>The review of the risk management framework was undertaken during the period.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	Yes	<p>Due to the current size of the Company, and taking into account cost/benefit considerations, the Board does not currently consider it necessary to have an internal audit function.</p> <p>The Audit and Risk Committee Charter requires the Committee to oversee the evaluation and continual improvement of the effectiveness of the Company's risk management and internal control processes. The Committee will achieve this objective by closely monitoring these areas and will require management to review and report on risk and internal control areas. The Committee will consider the use of external resources to assist as required.</p>
<p><b>Recommendation 7.4</b></p> <p>A listed entity should disclose whether it has any material exposure to environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	Yes	<p>The Company currently does not have any material exposure to environmental or social risk. As and when the Company has any material exposure to environmental or social sustainability risk, it will disclose any such exposure and how it manages or intends to manage those risks.</p>
<b>Principle 8: Remunerate fairly and responsibly</b>		
<p><b>Recommendation 8.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	Yes	<p>(a) The Company has established a People and Remuneration Committee, which has responsibility for remuneration matters.</p> <p>(b) A copy of the Committee's Charter is available on the Company's website (<a href="https://micro-x.com/investors/corporate-governance/">https://micro-x.com/investors/corporate-governance/</a>).</p> <p>(c) The Members of the Committee are:</p> <p>a. Alexander Gosling (Chair), Independent Director;</p> <p>b. David Knox, Independent Director; and</p> <p>c. James McDowell, Independent Director.</p> <p>(d) The number of times the committee met throughout the period and the individual attendances of the members at those meetings is disclosed in the Director's Report contained in the Company's Annual Report for the reporting period.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p><b>Recommendation 8.2</b></p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	Yes	<p>The Company's policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives are disclosed in the Remuneration Report contained in its Annual Report as lodged with the ASX and issued to shareholders.</p> <p>A copy of the Committee's Remuneration Policy is available on the Company's website (<a href="https://micro-x.com/investors/corporate-governance/">https://micro-x.com/investors/corporate-governance/</a>).</p>
<p><b>Recommendation 8.3</b></p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>(a) The Company's long and short-term incentive programs contain an element of remuneration which involves deferred share rights and performance share rights, entitling employees to shares.</p> <p>(b) The Company has a Share Trading Policy which includes a policy prohibiting participants of an equity-based remuneration scheme from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.</p> <p>(c) A copy of the Company's Share Trading Policy is available on the Company's website (<a href="https://micro-x.com/investors/corporate-governance/">https://micro-x.com/investors/corporate-governance/</a>)</p>