

ASX Announcement ([ASX: AXE](#))

24 August 2023

2023 Corporate Governance Statement and Appendix 4G

Archer Materials Limited ("Archer", the "Company", "[ASX:AXE](#)") includes its Appendix 4G and 2023 Corporate Governance Statement in accordance with Listing Rules, 4.7.3, 4.7.4 and 4.10.3.

The Board of Archer authorised this announcement to be given to ASX.

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About Archer

Archer is a technology company that operates within the semiconductor industry. The Company is developing advanced semiconductor devices, including chips relevant to quantum computing and medical diagnostics. www.archerx.com.au

CORPORATE GOVERNANCE STATEMENT

The Archer Materials Limited ("Company", "Archer") corporate governance framework, policies and practices, as described in this Statement, are designed to deliver Archer's strategy and enable the Board to effectively manage risks and assure compliance. At Archer, we are committed to doing business in accordance with high standards of corporate governance expected by Archer shareholders, communities, and wider society, and promote stakeholder confidence and trust.

In an environment of rising expectations about the role of companies in society, the Archer board ("Board") understands the need to consider our strategy through an informed view of evolving societal trends and values. The Board has adopted a system of internal controls, a risk management framework and corporate governance policies, standards and practices, which are designed to support and promote the responsible management and conduct of our business.

This Corporate Governance Statement describes Archer's key corporate governance policies and practices during the FY23 reporting period through to the date of this report. The work of the Board and its Committees in FY23, as discussed in the following pages, reflects the Board's continued oversight of, and the integration of, governance considerations into our strategic discussions, business decisions and risk management framework.

This statement sets out the Company's central corporate governance policies and practices. All these practices, unless otherwise stated, were in place for the entire year ended 30 June 2023. The policies and practices are reported against the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("Principles and Recommendations").

Where the Company's compliance with the Principles and Recommendations is reflected in a separate document or policy, a reference to the location of that document or policy is included in this statement.

References in this statement to "reporting period" are to the financial year ended 30 June 2023.

This Corporate Governance Statement is current as at 24 August 2023 and has been approved by the Board

Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1: Role of Board and Management

A listed entity should have and disclose a board charter setting out:

- (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.*

Recommendation followed. The role of the Board is to approve the strategic direction of the Company, guide and monitor the management of the Company and its businesses and oversee the implementation of appropriate corporate governance concerning the Company's affairs. The Board aims to protect and enhance its shareholders' interests while taking into account the interests of other stakeholders, including employees, customers, suppliers, and the wider community.

The Company's Board Charter documents the Board's and management's respective roles and responsibilities and the relevant delegations of authority. A copy of the Board Charter is available on our website at www.archerx.com.au

Recommendation 1.2: Appointment of Directors and Senior Executives

A listed entity should:

- (a) *undertake appropriate checks before appointing a director or senior executive, or putting someone forward 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.*

Recommendation followed. Before the appointment of a senior executive, or putting forward to security holders a candidate for election, as a director, the Company undertakes checks which it believes are appropriate to verify a director's character, experience, education, criminal record and bankruptcy history and for new directors, including, but not limited to the following:

- Background and reference checking.
- Obtaining information concerning the person's current and previous positions, directorships, bankruptcy history and any potential conflicts of interest.

The Company ensures that all material information relevant to a shareholder's decision whether or not to elect or re-elect a director, including the information referred to in Recommendation 1.2, is provided to shareholders in the Company's Notice of Annual General Meeting and Annual Report.

Recommendation 1.3: Appointment Terms

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

Recommendation followed. Each director and senior executive of the Company has an agreement in writing with the Company. The agreement sets out the key terms and conditions of their appointment, including their duties, rights and responsibilities and (to the extent applicable) the matters referred to in the commentary to Recommendation 1.3.

Recommendation 1.4: Company Secretary

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.

Recommendation followed. The Company Secretary has a direct line of reporting to the Executive Chairman and is responsible for:

- advising and supporting the Executive Chairman and the Board and its committees to manage the day-to-day governance framework of the Company;
- assisting with Board effectiveness by monitoring whether applicable Board and committee policies, procedures and charters are followed and coordinating timely completion and despatch of Board agendas and papers; and
- assisting with all matters to do with the proper functioning of the Board, including advising on governance matters and assisting with induction and professional development of directors.

The responsibilities of the Company Secretary are set out in the Board Charter referenced in this statement.

Recommendation 1.5: Diversity Policy

A listed entity should:

- (a) *have and disclose a diversity policy;*
- (b) *through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and*
- (c) *disclose in relation to each reporting period:*
 - (1) *the measurable objectives set for that period to achieve gender diversity;*
 - (2) *the entity's progress towards achieving those objectives; and*
 - (3) *either:*
 - *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*
 - *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.*

Recommendation not followed. The Company has adopted a Diversity Policy that provides a framework for establishing and achieving measurable diversity objectives, including gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives if considered appropriate and annually assess the objectives (if any have been set) and the Company's progress in achieving them.

The Remuneration and Nomination Committee assists the Board by reviewing the Diversity Policy on a regular basis to ensure that the policy reflects relevant corporate governance and regulatory compliance with respect to diversity and inclusion.

The Diversity Policy is available on the Company's website at www.archerx.com.au

The Company's policy prioritises securing the appropriate skills, knowledge and experience for workforce and Board roles whilst acknowledging the importance of diversity in delivering strong performance for shareholders. The Company at all times seeks to align its management system with its commitment to a culture that values and achieves diversity. The Company also believes that inclusion should be driven by culture (we want to) rather than by policy (we have to).

The Board and management consider building a diverse and inclusive workforce is paramount to gaining the best insight into the needs of customers and stakeholders. A diversity of perspectives and backgrounds also strengthens creativity and innovation in teams. The Company is aware of the benefits of gender diversity and is committed to ensuring female participation is reflected at all levels of the organisation.

The Remuneration and Nomination Committee provides assistance to the Board with the development and recommendation of measurable objectives for achieving diversity in the composition of the Board, Executive Leadership Team and workforce generally.

Given the size of the Company and status of the Company's projects, the directors believe that it is not appropriate at this stage to set measurable objectives in relation to diversity beyond those included in the Diversity Policy. Notwithstanding this, the Company strives to provide the best possible opportunities for current and prospective employees of all backgrounds in such a manner which reflects the values, principles and spirit of the Diversity Policy. The directors also believe that diversity is a relevant consideration for constitution of an effective Board, as discussed at Recommendation 2.2.

The Board assesses any measurable objectives for achieving gender diversity and annually reviews any such objectives and the Company's progress towards achieving them. The Board reviews at least annually on the relative proportion of women and men appointed or employed within the Company group and reports this in the Company's Corporate Governance Statement each year.

At the end of the reporting period, the Company reports as follows:

| Gender diversity report | Total positions | Held by women | % held by women |
|---------------------------|-----------------|---------------|-----------------|
| Board | 3 | 1 | 33% |
| Senior executives | 2 | - | - |
| Other employees | 17 | 6 | 35% |
| Total organisation | 22 | 7 | 32% |

Recommendation 1.6: Board Performance Assessment

A listed entity should:

- (a) *have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and*
- (b) *disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.*

Recommendation followed. The Board is committed to formally evaluating its performance, the performance of its Committees and individual directors.

The Board Charter details the Company's commitment, responsibility and process to annually evaluate the performance of the Board, individual directors, the Executive Chairman and Committees of the Board. The Board Charter is located on the Company's website at: www.archerx.com.au

The Remuneration & Nomination Committee reviews the process for the evaluation of the Board, Directors and Committees.

Consistent with this commitment, the Company also has a document that details its procedure regarding performance evaluation of the Board, individual directors and key executives.

The Board is responsible for the evaluation of its performance and the performance of individual directors. This evaluation is currently conducted annually via self-assessment. The process is managed by the Company Secretary at the direction of the Executive Chairman. From time to time and as deemed necessary, the Company, at the direction of the Executive Chairman, may undertake to have its performance evaluation process facilitated externally by an appropriately qualified service provider.

The review of the Board's performance also addresses the ability for directors to access continuing education to update and enhance their skills and knowledge as they relate to the Company's strategy and objectives. In addition, the Company regularly invites external advisors to attend meetings to provide directors with updates and ongoing professional education.

The Board, with assistance from the Remuneration & Nomination Committee, regularly undertakes an evaluation of the performance of the Board, individual directors, the Executive Chairman and Committees of the Board. During the reporting period, performance evaluations of the Board, individual directors, the Executive Chairman, and the Board Committees were undertaken by the Company according to the process described above.

Recommendation 1.7: Senior Executive Performance Assessment

A listed entity should:

- (a) *have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and*
- (b) *disclose for each reporting period whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.*

Recommendation followed. The Board (excluding the Executive Chairman) reviews the performance of the Executive Chairman annually. The Executive Chairman's performance is assessed against key performance indicators (KPIs) set by the Board, with the assistance and recommendation from the Remuneration & Nomination Committee. The KPIs consider criteria such as the achievement and performance towards the Company's objectives and (where appropriate) performance benchmarks and the achievement of individual performance objectives.

The Executive Chairman reviews the performance of the senior executives annually, against agreed KPIs, taking into account achievement and performance towards the Company's objectives and achievement of individual performance objectives.

The Remuneration & Nomination Committee assists the Board in relation to the performance evaluation of the Executive Chair and CEO, including reviewing performance against KPIs and advising the Board of the outcomes of the performance reviews and any recommended actions.

The Remuneration & Nomination Committee reviews the performance objectives for the Executive Chair and CEO and provides a recommendation to the Board for approval of those objectives.

The Board recognises the need for flexibility in defining performance objectives that must reflect the Company's current status and the respective stages of its projects.

During the reporting period, performance evaluations of the Executive Chairman and senior executives were undertaken according to the process described above.

Principle 2 – Structure the Board to be effective and add value

Recommendation 2.1: Nomination Committee

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;*
 - (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, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.*

Recommendation followed. The Board did not have a formal nomination committee during the whole of the reporting period, however a Remuneration and Nomination Committee was established on 16 February 2023. The Remuneration and Nomination Committee assists the Board in discharging its responsibilities in relation to people and remuneration activities, including oversight of risks related to people performance management, Company culture, succession planning, capacity and capability, and inclusion and diversity.

The Remuneration and Nomination Committee is comprised of three members, majority of whom are independent non-executive directors.

Ms Harkin is the chair of the Remuneration and Nomination Committee. Ms Harkin is an independent non-executive Director and is not the chair of the Board. The other members of the Remuneration and Nomination Committee are Mr Williams, who is an independent non-executive director and Mr English, who is an executive director and not independent by virtue of his position as an executive director.

The Remuneration and Nomination Committee Charter is located on the Company's website at: www.archerx.com.au.

The Remuneration and Nomination Committee's members and their relevant qualifications and experience, the number of times they met throughout the reporting period, and member attendance at those meetings is set out in the Company's Annual Report.

Prior to the establishment of the Remuneration and Nomination Committee, the Board acting in its ordinary capacity from time to time as required, determined the need for screening and appointing new Directors.

Directors are selected by reference to their knowledge, skills, and experience relevant to the Company's business needs. New directors are invited to join the Board by the chairperson, who makes the invitation based on the Remuneration and Nomination Committee's recommendations and approved by the Board.

The Company aims to nominate and appoint individuals with diverse skills, values, backgrounds and experiences. The Company values this diversity and recognises the strengths and opportunities that it may bring to the Board.

The Company is committed to providing a working environment in which all directors, employees, and consultants are treated fairly and respectfully to encourage a diverse Board composition. The directors have equal access to opportunities available within the Company for personal and professional development.

Recommendation 2.2: Board Skills Matrix

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

Recommendation followed. The Board's objective is to have an appropriate mix of expertise to effectively discharge its corporate governance and oversight responsibilities. It is the Board's view that the current directors possess an appropriate mix of relevant skills, experience, expertise and diversity to enable the Board to discharge its responsibilities and deliver the Company's strategic objectives.

The Board, with the assistance of the Remuneration and Nomination Committee, regularly evaluates the mix of skills, experience and diversity at the Board level. The Board believes that a highly credentialed Board, with a diversity of background, skills, and perspectives, will effectively support and enable good governance for the Company and value for the Company's shareholders. The Board aspires to have a Board comprised of individuals' diverse experience and expertise and will be mindful of this when making appointments that will also be based on merit.

At the end of the reporting period, the Board comprised three Directors from diverse backgrounds with a range of business experience, skills and attributes. The following table demonstrates the skills and experience of the Directors across several dimensions that are relevant to the Company. Biographical information on each director is contained in the Annual Report and on the Company's website.

Composition of skills and experience of the Board:

| Skills & Experience | Number of Directors |
|---|---------------------|
| <u>Industry experience</u> <ul style="list-style-type: none"> - Management/board representation in other significant companies with international operations (past and present). - Transactions within the ASX listed company space (e.g. mergers, acquisitions, joint ventures, IPOs etc.). - Membership of industry-related organisations. - Relevant industry qualification or experience. | 3 |
| <u>Executive leadership/management</u> <ul style="list-style-type: none"> - Outside directorships (past or present). - Senior management positions (past or present). | 3 |
| <u>Financial acumen</u> <ul style="list-style-type: none"> - Financial Literacy. - Accounting, finance or business qualification. | 3 |
| <u>Governance & regulation</u> <ul style="list-style-type: none"> - Experience in the governance of listed organisations. - Membership of governance bodies or organisations. | 3 |
| <u>Strategy</u> <ul style="list-style-type: none"> - Experience in analysing information, thinking strategically, and reviewing and challenging management to make informed decisions and assess performance against strategy. | 3 |
| <u>Risk</u> <ul style="list-style-type: none"> - Experience in risk management and oversight. | 3 |

To the extent that skills are not directly represented on the Board, they are augmented through the Company's management and external advisors.

Recommendation 2.3: Independent Directors

A listed entity should disclose:

- the names of the directors considered by the board to be independent directors;*
- 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 or relationship in question and an explanation of why the board is of that opinion; and*
- the length of service of each director.*

Recommendation followed. An independent director is a non-executive director who is not a member of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of judgement. The Board considers the independence of Directors having regard to the relationships listed in Box 2.3 of the Principles and Recommendations.

The Board regularly assesses the independence of each Non-Executive Director in light of the information which each Director is required to disclose concerning any material contract or other relationship with the Company per the Director's terms of appointment, the *Corporations Act 2001* (Cth) and the Board Charter.

The current structure and composition of the Board during the reporting period and as at the date of this report is set out below. The majority of the Board are independent, non-executive directors.

| Name | Position | Appointment Date | Status |
|-------------------|------------------------|------------------|-----------------|
| Greg English | Executive Chairman | 9 May 2007 | Non-Independent |
| Kenneth Williams | Non-Executive Director | 8 September 2020 | Independent |
| Bernadette Harkin | Non-Executive Director | 6 October 2021 | Independent |

The Board considers that Mr Williams and Ms Harkin are free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the exercise of unfettered and independent judgement and can fulfil the role of independent directors for the purpose of the Principles and Recommendations.

The Board does not consider Mr English to be independent given his position as an executive director of the Company.

Recommendation 2.4: Majority Independence

A majority of the board of a listed entity should be independent directors.

Recommendation followed. As of this Statement date, a majority (two of three) of the Company's Directors are deemed independent. The current Board composition reflects an appropriate balance of skills, expertise, and experience to fulfil its obligations to act in the company's best interests and all stakeholders. The Board also considers that appropriate safeguards are in place, including policies and protocols to ensure independent thought and decision making.

It is noted that the composition of the Board will be reassessed in the future in line with changes in the Company's operations and will be adjusted as deemed appropriate. The Board will consider the Principles and Recommendations in assessing any future changes in board composition.

As stated above at Recommendation 2.3, Mr English is deemed not to be independent.

Ms Harkin and Mr Williams are regarded as independent as they are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgment.

Recommendation 2.5: Board Chair

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.

Recommendation not followed. The chairman of the Board ("Chair") is not an independent director as described in recommendation 2.3. The Chair is an executive director of the Company and held that position during the reporting period.

The Chair provides leadership to the Board concerning all Board matters and ensures that the Board meets its responsibilities under the Board Charter. The role of the Chair is set out in more detail in the Board Charter.

The Board recognises that an independent Director should fulfil the role of Chair. However, the Board (other than Mr English) considers that Mr English is the most appropriate person to act as Chair of the Board given his business experience, legal expertise, and understanding of the Archer business.

As the Archer business grows, the Board will continue to review Archer's corporate governance arrangements and the composition of the Board, including, for example, whether it is appropriate for the Company to appoint an independent Chair.

As noted earlier at Recommendation 2.1, the Board has established a Remuneration and Nomination Committee during the reporting period, to assist the Board in discharging its responsibilities in relation to people and remuneration activities, including oversight of risks related to people performance management, Company culture, board composition, succession planning, capacity and capability, and inclusion and diversity.

Recommendation 2.6: Induction, Education and Training

A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

Recommendation followed. New Directors are provided with an induction, including comprehensive meetings with the Executive Chairman and senior executives/management as appropriate and provision of copies of all relevant documents and policies governing the Company's business, operations, and management when joining the Board.

All directors are expected to maintain the skills required to discharge their obligations to the Company effectively. Directors are encouraged to undertake continuing professional education and, if this involves industry seminars and approved education courses, where appropriate, this is paid for by the Company. The Company regularly arranges for advisors to provide continuing education development for all Directors. Furthermore, Directors' skills, knowledge, and opportunities for continuing education and development are considered annually as part of the board's performance evaluation, individual directors and Executive Chairman.

Principle 3 – Instil a culture of acting lawfully, ethically and responsibly

Recommendation 3.1: Statement of Values

A listed entity should articulate and disclose its values.

Recommendation followed. The Company's Board Charter and Code of Conduct articulates and discloses its values. The Company's Board Charter and Code of Conduct are available on the Company website: www.archerx.com.au.

Recommendation 3.2: Code of Conduct

A listed entity should:

- (a) *have and disclose a code of conduct for its directors, senior executives and employees; and*
- (b) *ensure that the board or a committee of the board is informed of any material breaches of that code.*

Recommendation followed. Archer is committed to instilling and continually reinforcing a culture across the organisation of acting lawfully, ethically and responsibly in all business practices. Accordingly, the Company has a Code of Conduct that sets out the standards of behaviour expected of all its employees, directors, officers, contractors and consultants. The Code of Conduct is located on the Company's website at: www.archerx.com.au.

The Code of Conduct, including practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders, and to support and reinforce the Company's stated values, can be found on the Company website: www.archerx.com.au.

Any breach of compliance with the Code of Conduct is to be reported to:

- (a) an officer or senior manager of the Company;
- (b) the Executive Chairman (or equivalent);
- (c) Chair of the Audit and Risk Management Committee; or
- (d) the Company Secretary

Any material breaches of the Code of Conduct will be reported to the Audit & Risk Management Committee.

Recommendation 3.3: Whistleblower Policy

A listed entity should:

- (a) *have and disclose a whistleblower policy; and*
- (b) *ensure that the board or a committee of the board is informed of any material incidents reported under that policy.*

Recommendation followed. The Whistleblower Policy demonstrates that the Company is committed to the highest standards of conduct and ethical behaviour in all of its business activities. The Company supports a culture of honest and ethical behaviour in ensuring good corporate compliance and governance.

The Company's Whistleblower Policy encourages employees to speak up about any unlawful, unethical or irresponsible behaviour.

A copy of the Company's Whistleblower Policy can be accessed on the Company website: www.archerx.com.au

The Board will be informed of any material incidents reported under the Whistleblower Policy. All reports are to be made to the Protective Officer, who is the Company Secretary.

Recommendation 3.4: Anti-bribery and Corruption Policy

A listed entity should:

- (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.*

Recommendation followed. The Anti-Bribery and Corruption Policy demonstrates that the Company is committed to maintaining high integrity and accountability standards in conducting its business. The Company Anti-bribery and Corruption Policy can be accessed on the Company website: www.archerx.com.au

This Policy aims to establish controls to ensure compliance with all applicable anti-bribery and corruption regulations and ensure that the Company's business is conducted in a socially responsible manner. The Policy provides information and guidance to employees on recognising and dealing with bribery and corruption issues.

The Board will be informed of any material incidents reported under the Anti-Bribery and Corruption Policy. All Company Personnel must report any actual or suspected improper conduct or other violation of this Policy to the relevant person identified in this Policy.

Principle 4 – Safeguard the integrity of corporate reports

Recommendation 4.1: Audit Committee

The board of a listed entity should:

- (a) *have an audit committee which:*
 - (1) *has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and*
 - (2) *is chaired by an independent director, who is not the chair of the board,**and disclose:*
 - (3) *the charter of the committee;*
 - (4) *the relevant qualifications and experience of the members of the committee; and*
 - (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*
- (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.*

Recommendation not followed. The Company has an Audit & Risk Management Committee ("Committee"). Mr Williams is the chair of the Committee. Mr Williams is an independent non-executive director and is not the chair of the Board.

The Committee comprises three members, two of whom are non-executive and independent directors and one executive director, who is not independent by virtue of his position as an executive director.

The Audit & Risk Management Committee does not comprise wholly of non-executive directors. However, the Company has 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.

These processes are detailed in the Audit & Risk Management Committee Charter. The Audit & Risk Management Committee Charter is located on the Company's website at: www.archerx.com.au

The Committee's members and their relevant qualifications and experience, the number of times the Committee met throughout the reporting period, and the attendance of the Committee's members at those meetings is set out in the Company's Annual Report.

Recommendation 4.2: Assurances

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.

Recommendation followed. For the Company's periodic financial reporting, the Executive Chairman and Chief Financial Officer provide a declaration to the Board that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Board has received a declaration in the form set out in Recommendation 4.2 from its Executive Chairman and Chief Financial Officer concerning the financial statements for the reporting period.

Recommendation 4.3: Verification of integrity of periodic corporate reports

A listed entity discloses 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.

Recommendation followed.

The Company ensures that any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor undergoes review by its Chief Financial Officer.

Principle 5 – Make timely and balanced disclosure

Recommendation 5.1: Continuous Disclosure Policy

A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under the listing rule 3.1.

Recommendation followed. Archer is committed to providing information to shareholders and the market in a manner consistent with the meaning and intention of the ASX Listing Rules and the Corporations Act.

To comply with these obligations, the Company has a Continuous Disclosure & Communications Policy that outlines the processes followed by the Company to ensure compliance with its continuous disclosure obligations and the corporate governance standards applied by the Company in its communications to the market.

The Continuous Disclosure & Communications Policy is located on the Company's website at: www.archerx.com.au

The Board is committed to promoting investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market and in compliance with our Securities Trading Policy (as applicable). Following continuous disclosure obligations under the ASX Listing Rules, the Company has procedures to ensure that all price sensitive information is identified, reviewed by management and disclosed to the ASX in a timely manner. The Company website will include a link to all information disclosed to the ASX.

Recommendation 5.2: Provide Board with copies of all material market announcements

A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

Recommendation followed. Under the Company's Board Charter, the Board is responsible for overseeing the continuous disclosure process to ensure timely and balanced disclosures and ensuring that the Company has an effective communication process with shareholders, other stakeholders and the public.

The Company Secretary ensures that the Board promptly receives copies of all material market announcements after they have been made.

Recommendation 5.3: Investor Presentations

A listed entity that gives a 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.

Recommendation followed. The Company ensures that it will release copies of all results, presentations, and other substantive investor or analyst presentations in advance on the ASX Market Announcements Platform, ensuring equality of information among investors.

Principle 6 – Respect the rights of security holders

Recommendation 6.1: Information and Governance

A listed entity should provide information about itself and its governance to investors via its website.

Recommendation followed. The Company provides information about itself and its governance to investors via its website at: www.archerx.com.au

The Company also maintains a separate investor page on its website to provide shareholders with links to annual and interim reports, ASX announcements, presentations and other essential information.

Recommendation 6.2: Investor Relations

A listed entity should have an investor relations program to facilitates effective two-way communication with investors.

Recommendation followed. Archer endeavours to communicate with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions.

Through its shareholder communications, Archer aims to provide information that will allow existing shareholders, potential shareholders and financial analysts to make informed decisions about the Company's and meet its obligations under the ASX's continuous disclosure regime.

The Company's Continuous Disclosure & Communications Policy outlines the processes followed by the Company to ensure communication with shareholders and the investment community is effective, consistent and adheres to the principles of continuous disclosure. The Continuous Disclosure & Communications Policy is located on the company's website at: www.archerx.com.au

Recommendation 6.3: Shareholder Meeting Participation

A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

Recommendation followed. Shareholders are forwarded the Company's Annual Report if requested (otherwise made available on the Company's website), and documents relating to each general meeting, the notice of meeting, any explanatory memorandum and a proxy form, and shareholders are invited to attend these meetings.

The Board regards each general meeting as an important opportunity to communicate with shareholders. It provides an essential forum for shareholders to ask questions about the Company, its strategy and performance. At shareholder meetings, the Company will provide an opportunity for shareholders and other stakeholders to hear from and ask questions of the Board, management and our external auditor (if applicable).

The Continuous Disclosure & Communications Policy sets out the policies and processes the Company has in place to facilitate and encourage participation at meetings of security holders. The Company permits shareholders to cast their proxies before a general meeting if they cannot attend the meeting.

Recommendation 6.4: All substantive resolutions at a security holder meeting are decided by poll

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.

Recommendation followed. During the reporting period, all resolutions at security holder meetings were decided by poll. The Company's share registrar conducts the poll.

Recommendation 6.5: Electronic communications with shareholders

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Recommendation followed. The Company gives security holders the option to receive communications from, and send communications to, the Company and its security registry electronically, as provided for in the Company's Continuous Disclosure & Communications Policy.

Shareholders are encouraged to take advantage of the benefits of electronic communications by electing to receive communication from the Company and its share registry electronically. Shareholders may send their communications preference to the share registry electronically through one of its means of communication available on <https://www-au.computershare.com>.

Principle 7 – Recognise and manage risk

Recommendation 7.1: Risk Committee

The board of a listed entity should:

- (a) *have a committee or committees to oversee risk, each of which:*
 - (1) *has at least three members, a majority of whom are independent directors; and*
 - (2) *is chaired by an independent director,**and disclose:*
 - (3) *the charter of the committee;*
 - (4) *the members of the committee; and*
 - (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*
- (b) *if it does not have risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*

Recommendation followed. The Company has established an Audit & Risk Management Committee ("Committee") to oversee financial, operational and other Company risks. Mr Williams is the chair of the Committee. Mr Williams is an independent non-executive director and is not the chair of the Board.

The Committee comprises three members, majority of whom are independent directors. Two members are non-executive and independent directors, and one member is an executive director who is not independent by virtue of their position as an executive director.

The Committee's members and their relevant qualifications and experience, the number of times the Committee met throughout the reporting period, and the Committee members' attendance at those meetings is set out in the Annual Report for the reporting period.

The Company's Audit & Risk Management Committee Charter is located on the Company's website at: www.archerx.com.au

The Company also has processes it employs for overseeing the Company's risk management framework.

The Company's Risk Management Policy sets the framework for risk management and review of the risk management framework.

The Company's Risk Management Policy requires the Board to, at least annually and assisted by the Audit & Risk Management Committee, undertake a structured consideration and review of the risk management framework and the material risks faced by the Company.

The Risk Management Policy is located on the Company's website at: www.archerx.com.au.

Recommendation 7.2: Risk Management Framework

The board or a committee of the board should:

- (a) *review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and*
- (b) *disclose, in relation to each reporting period, whether such a review has taken place.*

Recommendation followed. The Company's risk management framework is supported by the Board of directors, management and the Audit & Risk Management Committee.

The Company's Risk Management Policy sets the framework for risk management and review of the risk management framework. The Policy includes procedures to analyse risks within agreed parameters across the Company and ensure the Company has an appropriate risk management framework to adequately measure its risk profile on an ongoing basis.

The Board is responsible for approving and reviewing the Company's risk management strategy and policy. Management is responsible for monitoring and ensuring that appropriate processes and controls are in place to effectively and efficiently manage risk. Management is responsible for monitoring compliance with and the effectiveness of risk management systems and controls.

The Company's Risk Management Policy requires the Board to, at least annually and assisted by the Audit & Risk Management Committee, undertake a structured consideration and review of the risk management framework and the material risks faced by the Company.

The Risk Management Policy is located on the Company's website at: www.archerx.com.au

During the reporting period, the Board, assisted by the Audit & Risk Management Committee has completed a review of the Company's risk management framework and key corporate risks in accordance with the Audit & Risk Management Committee Charter. The Board as a whole addresses individual risks as required on an ongoing basis.

Recommendation 7.3: Internal Audit

A listed entity should disclose:

- (a) *if it has an internal audit function, how the function is structured and what role it performs; or*
- (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.*

Recommendation followed. The Company is committed to understanding and managing risks that affect the Company. The Board has established an organisational culture that ensures risk management is included in all activities, decision making and business processes. The Company does not have a formal internal audit function due to its size.

The Audit & Risk Management Committee meets at least bi-annually to receive and consider reports on and monitor known and emerging risk and compliance issues, including non-financial operational and other business risks.

The Board addresses the ongoing mitigation and management of critical business risks at each board meeting through discussion. It is an item of business on the agenda of the Audit & Risk Management Committee which meets at least bi-annually. Operational, financial, legal, compliance, strategic and reputational risks continue to be managed primarily by the Executive Chairman, Chief Executive Officer and Chief Financial Officer as a part of the day-to-day management of the Company's affairs. Where appropriate, these risks are managed with the support of relevant external professional advisers.

The Company undertakes an ongoing review of its safety and environmental risks and reports on this aspect to the Board monthly.

Recommendation 7.4: Environmental and Social Risks

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.

Recommendation followed. The Company undertakes advanced materials research and development activities. At this stage, most of the Company's activities are conducted inside laboratories and dedicated research facilities. While our staff deal with some dangerous chemicals in the laboratories, the environmental risks are controlled within the laboratory and minimised. However, the Company faces risks inherent to its business, including economic, pandemic and social sustainability risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term.

One of the Company's core values is safety; it prioritises safety and health to people, the environment and the community. The Company views sustainable and responsible business practices as an essential long-term driver of performance and shareholder value. The Company is committed to transparency, fair dealing, responsible treatment of employees and partners and positive interaction with the community.

While the Board does not believe the Company has any material exposure to environmental and social risks at present, the Company is committed to continual review of the materiality of environmental, economic and social risks and will take appropriate action to address as circumstances require.

Principle 8 – Remunerate fairly and responsibly

Recommendation 8.1: Remuneration Committee

The board of a listed entity should:

- (a) *have a remuneration committee which:*
 - (1) *has at least three members, a majority of whom are independent directors; and*
 - (2) *is chaired by an independent director,**and disclose:*
 - (3) *the charter of the committee;*
 - (4) *the members of the committee; and*
 - (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*
- (b) *if it does not have 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 remuneration is appropriate and not excessive.*

Recommendation followed. The Board did not have a formal remuneration committee during the whole of the reporting period; however a Remuneration and Nomination Committee was established on 16 February 2023. The Remuneration and Nomination Committee assists the Board in discharging its responsibilities in relation to people and remuneration activities, including oversight of risks related to people performance management, Company culture, succession planning, capacity and capability, and inclusion and diversity.

The Remuneration and Nomination Committee is comprised of three members, majority of whom are independent non-executive directors.

Ms Harkin is the chair of the Remuneration and Nomination Committee. Ms Harkin is an independent non-executive Director and is not the chair of the Board. The other members of the Remuneration and Nomination Committee are Mr Williams, who is an independent non-executive director and Mr English, who is an executive director and not independent by virtue of his position as an executive director.

The Remuneration and Nomination Committee Charter is located on the Company's website at: www.archerx.com.au.

The Remuneration and Nomination Committee's members and their relevant qualifications and experience, the number of times they met throughout the reporting period, and member attendance at those meetings is set out in the Company's Annual Report.

Prior to the establishment of the Remuneration and Nomination Committee, the Board as a whole had responsibility for the function of the remuneration committee, including the performance evaluation and remuneration of the Executive Chairman and the CEO.

Prior to the establishment of the Remuneration and Nomination Committee, the board considered and recommended compensation arrangements for the Executive Chairman and senior executives, remuneration policies and practices, retirement termination policies and practices, company share schemes and other incentive schemes, company superannuation arrangements, and remuneration arrangements for members of the Board. This Board's function in this regard was guided by the Company's Remuneration Policy, located on the Company's website at: www.archerx.com.au

The primary functions of the Board, as detailed in the Remuneration Policy were to:

- make specific decisions for remuneration of directors and senior executives and officers;
- resolve the terms and conditions of employment for the Executive Chairman and CEO;
- undertake a review of the Executive Chairman's and CEO's performance, at least annually, including setting with the Executive Chairman and CEO goals for the coming year and reviewing progress in achieving those goals;
- report on the decisions regarding the remuneration of the Executive Chairman, CEO and other senior employees; and
- develop and facilitate a process for Board and director evaluation.

Prior to the establishment of the Remuneration and Nomination Committee, in fulfilling its role of the remuneration committee, the Board sought to retain professional services as it required, at reasonable market rates, and sought external advice and market comparisons where necessary.

Recommendation 8.2: Remuneration Policies and Practices

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.

Recommendation followed. The Company's policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives are set out in the Remuneration Report contained in the Company's Annual Report.

Details of the Company's remuneration practices for its directors and senior executives are set out in the Remuneration Report contained in the Company's Annual Report. The Remuneration Report highlights the balance between fixed pay, short term incentive and long-term incentives and includes details of the remuneration paid and the relationship to the Company's performance.

A copy of the Company's Annual Report is located on the Company's website.

Recommendation 8.3: Equity Based Remuneration Scheme

A listed entity which has an equity-based remuneration scheme should:

- (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*
- (b) disclose that policy or a summary of it.*

Recommendation followed. The Company has an equity-based remuneration scheme. The Company's Securities Trading Policy provides that participants in the scheme must not enter into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested equity interest. The Securities Trading Policy is located on the Company's website at: www.archerx.com.au

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Archer Materials Limited

ABN/ARBN

64 123 993 233

Financial year ended:

30 June 2023

Our corporate governance statement¹ for the period above can be found at:²

☐ These pages of our annual report:

☒ This URL on our website:

<https://archerx.com.au/wp-content/uploads/2023/08/20230824-Corporate-Governance-Statement-FY23-APPROVED.pdf>

The Corporate Governance Statement is accurate and up to date as at 24 August 2023 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 24 August 2023

Name of authorised officer
authorising lodgement:

Damien Connor (Company Secretary)

¹ "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.

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 Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ 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.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|---|---|---|--|
| PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | | |
| 1.1 | A listed entity should have and disclose a board charter setting out: (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. | <input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: https://archerx.com.au/src/uploads/2021/09/20210923_Board_Charter_Archer_FINAL.pdf | <input type="checkbox"/> set out in our Corporate Governance Statement OR <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 director or senior executive or putting someone forward 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

⁴ Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate governance/charters/”).

⁵ 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.

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|---|---|--|
| <p>1.5 A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: <ul style="list-style-type: none"> (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) 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>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p> | <p><input type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at: https://archerx.com.au/wp-content/uploads/2023/08/5-Diversity-Policy-final.pdf and we have disclosed the information referred to in paragraph (c) at: https://archerx.com.au/wp-content/uploads/2023/08/20230824-Corporate-Governance-Statement-FY23-APPROVED.pdf</p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|---|--|--|---|
| 1.6 | <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 for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> | <p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>https://archerx.com.au/src/uploads/2021/09/20210923_Board_Charter_Archer_FINAL.pdf</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>https://archerx.com.au/wp-content/uploads/2023/08/20230824-Corporate-Governance-Statement-FY23-APPROVED.pdf</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.7 | <p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> | <p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>https://archerx.com.au/src/uploads/2021/09/20210923_Board_Charter_Archer_FINAL.pdf</p> <p>and</p> <p>https://archerx.com.au/wp-content/uploads/2023/03/3a-AXE_Rem_Noms-Charter_FINAL.pdf</p> <p>and</p> <p>https://archerx.com.au/wp-content/uploads/2023/08/20230824-Corporate-Governance-Statement-FY23-APPROVED.pdf</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>https://archerx.com.au/wp-content/uploads/2023/08/20230824-Corporate-Governance-Statement-FY23-APPROVED.pdf</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|--|--|---|---|
| PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE | | | |
| 2.1 | <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><input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: https://archerx.com.au/wp-content/uploads/2023/03/3a-AXE_Rem_Noms-Charter_FINAL.pdf</p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>https://archerx.com.au/wp-content/uploads/2023/08/20230824-Corporate-Governance-Statement-FY23-APPROVED.pdf</p> <p>and</p> <p>Page 26 and 27 of the Company's Annual Report for the year ended 30 June 2023 located on the Company's website at https://archerx.com.au/investors.</p> <p>and we have disclosed the fact that we did not have a nomination committee for the whole of the reporting period and the processes we employed prior to the establishment of a Remuneration and Nominations Committee 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 at:</p> <p>https://archerx.com.au/wp-content/uploads/2023/08/20230824-Corporate-Governance-Statement-FY23-APPROVED.pdf</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 2.2 | A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership. | <p><input checked="" type="checkbox"/> and we have disclosed our board skills matrix at: https://archerx.com.au/wp-content/uploads/2023/08/20230824-Corporate-Governance-Statement-FY23-APPROVED.pdf</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|---|--|---|---|
| 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, affiliation 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 or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director. | <input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: https://archerx.com.au/wp-content/uploads/2023/08/20230824-Corporate-Governance-Statement-FY23-APPROVED.pdf and, where applicable, the information referred to in paragraph (b) at: https://archerx.com.au/wp-content/uploads/2023/08/20230824-Corporate-Governance-Statement-FY23-APPROVED.pdf and the length of service of each director at: https://archerx.com.au/wp-content/uploads/2023/08/20230824-Corporate-Governance-Statement-FY23-APPROVED.pdf | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 2.4 | A majority of the board of a listed entity should be independent directors. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <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. | <input type="checkbox"/> | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR <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 for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|---|--|--|--|
| PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY | | | |
| 3.1 | A listed entity should articulate and disclose its values. | <input checked="" type="checkbox"/> and we have disclosed our values at: https://archerx.com.au/src/uploads/2021/09/20210923_Board_Charter_Archer_FINAL.pdf and https://archerx.com.au/src/uploads/2021/09/20210923_Code_of_Conduct_Archer_FINAL.pdf | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 3.2 | A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code. | <input checked="" type="checkbox"/> and we have disclosed our code of conduct at: https://archerx.com.au/src/uploads/2021/09/20210923_Code_of_Conduct_Archer_FINAL.pdf | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 3.3 | A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy. | <input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: https://archerx.com.au/src/uploads/2019/12/13-Whistleblower-Policy-final.pdf | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 3.4 | A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy. | <input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: https://archerx.com.au/src/uploads/2020/04/14-Anti-Bribery-and-Anti-Corruption-Policy-final.pdf | <input type="checkbox"/> set out in our Corporate Governance Statement |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
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| PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS | | | |
| 4.1 | <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> | <input type="checkbox"/> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p> <p>The Company has an Audit & Risk Management Committee, however did not meet item (a) (1) of the recommendation. A copy of the Audit & Risk Management Committee charter is located at:</p> <p>https://archerx.com.au/src/uploads/2019/12/3-Audit-Risk-Management-Committee-Charter-final.pdf</p> <p>and the information referred to in paragraphs (4) and (5) is located at:</p> <p>Page 26 and 27 of the Company's Annual Report for the year ended 30 June 2023 located on the Company's website at https://archerx.com.au/investors.</p> |
| 4.2 | 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
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| PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE | | | |
| 5.1 | A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1. | <input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: https://archerx.com.au/src/uploads/2019/12/4-Continuous-Disclosure-Communications-Policy-final.pdf | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 5.2 | A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 5.3 | A listed entity that gives a 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS | | | |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | <input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: https://archerx.com.au/corporate-governance | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.2 | A listed entity should have an investor relations program that facilitates effective two-way communication with investors. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.3 | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders. | <input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: https://archerx.com.au/src/uploads/2019/12/4-Continuous-Disclosure-Communications-Policy-final.pdf | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
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| PRINCIPLE 7 – RECOGNISE AND MANAGE RISK | | | |
| 7.1 | <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><input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: https://archerx.com.au/src/uploads/2019/12/3-Audit-Risk-Management-Committee-Charter-final.pdf and the information referred to in paragraphs (4) and (5) at: Pages 26 and 27 of the Company's Annual Report for the year ended 30 June 2023 located on the Company's website at https://archerx.com.au/investors.</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |
| 7.2 | <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 that the entity is operating with due regard to 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><input checked="" type="checkbox"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: https://archerx.com.au/wp-content/uploads/2023/08/20230824-Corporate-Governance-Statement-FY23-APPROVED.pdf</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |
| 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 governance, risk management and internal control processes.</p> | <p><input checked="" type="checkbox"/> and we have disclosed 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 at: https://archerx.com.au/wp-content/uploads/2023/08/20230824-Corporate-Governance-Statement-FY23-APPROVED.pdf</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
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| 7.4 | 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. | <input checked="" type="checkbox"/> <p>and we have disclosed whether we have any material exposure to environmental and social risks at: https://archerx.com.au/wp-content/uploads/2023/08/20230824-Corporate-Governance-Statement-FY23-APPROVED.pdf and, if we do, how we manage or intend to manage those risks at: https://archerx.com.au/wp-content/uploads/2023/08/20230824-Corporate-Governance-Statement-FY23-APPROVED.pdf</p> | <input type="checkbox"/> set out in our Corporate Governance Statement |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
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| PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY | | |
| <p>8.1 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><input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: https://archerx.com.au/wp-content/uploads/2023/03/3a-AXE_Rem_Noms-Charter_FINAL.pdf</p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>https://archerx.com.au/wp-content/uploads/2023/08/20230824-Corporate-Governance-Statement-FY23-APPROVED.pdf</p> <p>and</p> <p>Pages 26 and 27 of the Company's Annual Report for the year ended 30 June 2023 located on the Company's website at https://archerx.com.au/investors.</p> <p>and we have disclosed the fact that we did not have a remuneration committee for the whole of the reporting period and the processes we employed prior to the establishment of a Remuneration and Nominations Committee 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>https://archerx.com.au/wp-content/uploads/2023/08/20230824-Corporate-Governance-Statement-FY23-APPROVED.pdf</p> <p>and at</p> <p>https://archerx.com.au/wp-content/uploads/2023/08/8-Remuneration-Policy-final.pdf</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
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| 8.2 | 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. | <input checked="" type="checkbox"/> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>Page 31 of the Company's Annual Report for the year ended 30 June 2023 located on the Company's website at https://archerx.com.au/investors</p> | <input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 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> | <input checked="" type="checkbox"/> <p>and we have disclosed our policy on this issue or a summary of it at: https://archerx.com.au/src/uploads/2019/12/11-Securities-Trading-Policy-final.pdf</p> | <input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |