



## BOARD CHARTER

This Charter sets out the roles and responsibilities of the Board of Directors of Archer Materials Limited (**Archer** or **Company**).

### Role of the Board

The role of the Board is to act in the best interest of the Company and act in a manner consistent with the Company's values, including prioritising occupational safety, health, the environment and community.

The Company's vision, mission and values (as also disclosed in its Code of Conduct) is attached as Appendix A.

The Board's key responsibilities are to:

- Demonstrate leadership.
- Determine and set Archer's strategic objectives. The Board may do this by reviewing, testing, challenging and providing oversight and input into Archer's management recommended strategic plans.
- Approving Archer's statement of values and Code of Conduct to underpin the desired culture within the Company.
- Optimise Company performance and shareholder value within a framework of appropriate risk assessment and management.
- Appoint and, when necessary, replace Key Management Personnel and regularly evaluate their performance.

The Board must perform its role in accordance with the duties and obligations imposed on it by the Company Constitution, ASX Listing Rules and by law.

### Constitution

The Board is constituted by the Constitution, under which it is vested with the power to manage the Company. The Board may delegate certain of its powers to executive Directors, Board committees and other persons. The Board retains ultimate responsibility for the management of the Company.

The Constitution governs the regulation of meetings and proceedings of the Board.

### Board composition

The Board shall have at least three, but no more than ten, members. Appointments to the Board are based on merit and are made to maintain an appropriate balance of skills and experience.

All Directors (except for an exempt Managing Director under item 8.1 of the Constitution) shall submit themselves at least once every three years for election or re-election (as the case may be) in accordance with the Constitution.

New Directors are given a thorough briefing by the Chairman on key Board issues and provided with appropriate background documentation. These issues shall include:

- the Company's financial, strategic, operational and risk management position;
- their rights, duties and responsibilities; and
- the role of the Board and the Board committees.

Subject to the approval of the Board, a Director may appoint an alternate to exercise some or all of the Director's powers for a specified period. The appointing Director may terminate the alternate's appointment at any time. An appointment or its termination must be in writing and a copy provided to the Company Secretary.

## **Chairman**

The Chairman is responsible for the Board's leadership and the efficient organisation and conduct of the Board's function. The Chairman is also responsible for shareholder communication and arranging Board performance evaluation.

The Directors from time to time elect one of their number to the office of Chairman and may determine the period for which that Director is to be Chairman. The Chairman may or may not be independent.

The Chairman is responsible for the leadership of the Board and ensuring the Board functions effectively. In performing this role, the Chairman's responsibilities include:

- approving the agenda of matters to be considered by the Board and convening Board meetings as necessary or appropriate;
- managing the conduct, frequency and length of Board meetings to ensure that the Board maintains an in-depth understanding of Archer's performance and the opportunities and strategic issues it faces;
- facilitating constructive and respectful communications between Directors and between the Board and management; and
- annually implementing a review of the performance of the Board as a whole.

Should the Chairman be absent from a meeting, the members of the Board present shall appoint a Chairman for that particular meeting.

## **Board committees**

The Board may, from time to time, establish committees to assist it with carrying out its responsibilities. The Board approves charters setting out the composition and responsibilities of such committees and other matters as the Board may consider appropriate.

The Board has established an Audit & Risk Management Committee that comprises Directors with the necessary skills, experience, and independence required to perform the role of the Committee. Other Directors may be invited to attend Committee meetings, and senior executives, advisors and other employees may also attend by invitation. Following each committee meeting, the Board is provided with a

verbal report on meeting proceedings and the minutes of that meeting. Copies of Committee papers are made available to the Board.

The Board may also delegate specific responsibilities to ad-hoc committees from time to time.

## **Company secretary**

The Company Secretary acts as Secretary of the Board and shall attend all meetings of the Board. The Company Secretary must:

- be accountable to (and report directly to) the Board (through the Chairman if appropriate) on all governance matters;
- advise and support the Chairman, the Board and its committees in managing the day-to-day governance framework of Archer;
- assist with Board effectiveness by monitoring whether applicable Board and committee policies procedures and charters are followed and coordinate timely completion and despatch of Board agendas and papers; and
- assist 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.

## **Meetings and minutes**

The Board shall meet at regular agreed intervals and as the circumstances of the Company require. Any Director can convene a Board meeting.

Directors may approve a resolution in writing without the need to hold a meeting. The written resolution must be approved in accordance with the requirements of Item 8.13 of the Constitution and will be filed with the minutes of the proceedings of the Board.

Minutes of Board meetings shall be prepared by the Secretary, approved by the Chairman in draft and circulated to all Directors as soon as practicable after each meeting.

Minutes of Board meetings shall be confirmed at the Board's next meeting and then signed by the Chairman.

## **Access to information**

Any Director shall have direct access to and may seek information directly from any employee or external party, including external auditors, provided that:

- all enquiries are made known to the Chairman; and
- comments on the performance of management should be made through the Chairman.

Subject to the approval of the Chairman, any Director may obtain any external, professional advice they require to fulfil their duties at the Company's expense.

## Responsibility and duties of the Board

In addition to the above matters and those for which the Board is responsible by law, the Board has the following responsibilities:

- overseeing control and accountability systems designed to ensure appropriate standards are met concerning Archer's occupational health safety environment and community obligations;
- appointing and removing executive management and other officers (such as the Company Secretary), determining their terms and conditions of engagements including the remuneration framework;
- review of performance and remuneration of executive Directors and staff;
- satisfying itself that the Company's remuneration policies are aligned with its purpose, values, strategic objectives and risk appetite;
- monitoring and assessing management's development and implementation of strategies, business plans, budgets and objectives, and ensuring sufficient resources are available to management for those purposes;
- ensuring that systems are in place to facilitate the effective management of the principal risks to the Company;
- ensuring that the Company has adequate reporting systems and internal controls (both financial and operational), codes of conduct and legal compliance systems and monitoring them;
- approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
- protecting the Company's financial position and its ability to meet its debts and other obligations as they fall due;
- ensuring that the Company's accounts comply with relevant accounting standards and present a true and fair view;
- approving business plans and budgets and monitoring performance against them;
- overseeing the continuous disclosure process to ensure timely and balanced disclosures and ensuring that the Company has an effective process for communicating with shareholders, other stakeholders and the public;
- approving and monitoring financial and other reporting;
- annually assessing the independence of Directors (having regard to the ASX Corporate Governance Principles and Recommendations concerning independence);
- approving the issue of shares or other securities in Archer; and
- monitoring the effectiveness of governance practices generally.

The Board must convene regular meetings with such frequency as is sufficient to discharge its responsibilities appropriately. The Board may, from time to time, delegate some of its responsibilities to its senior management team.

## **Matters delegated to management**

The Board has delegated to executive Directors and the senior executive group authority over the day-to-day management of Archer and its operations. This delegation of authority includes responsibility and accountability to the Board, for:

- developing business plans, budgets and strategies for consideration by the Board and, to the extent approved by the Board, implementing these plans, budgets and strategies;
- operating the business within the parameters set by the Board from time to time, and keeping the Board informed of material developments in the businesses;
- where proposed transactions, commitments or arrangements exceed the parameters set by the Board, referring the matter to the Board for its consideration and approval;
- identifying and managing operational and other risks and where those risks could have a material impact on the business, formulating strategies for managing these risks for consideration by the Board;
- managing financial and other reporting mechanisms and control and monitoring systems to ensure that these mechanisms and systems capture all relevant material information on a timely basis and are functioning effectively;
- ensuring that the Board is provided with sufficient information on a timely basis, in particular concerning performance, financial condition, operating results and prospects, to enable the Board to fulfil its governance responsibilities; and
- implementing the policies, processes, procedures and codes of conduct approved by the Board.

## **Board performance review**

The Board shall conduct a formal review of its effectiveness, against this charter, on an annual basis, which shall involve:

- evaluating the performance of each Director against appropriate measures (including if warranted by considering the use of external advisers to conduct this performance review);
- for the non-executive Directors, evaluating the performance of the Chairman;
- comparing its performance with the requirements of its Charter;
- setting out its future goals and objectives; and
- reviewing and recommending any changes to its Charter deemed necessary or desirable.

The performance evaluation shall be conducted in such a manner as the Board deems appropriate.

The review of the Board's performance shall also address 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.



### **Charter review**

The Board will review this Charter annually to ensure it is consistent with the Board's roles and responsibilities. Any proposed amendments to this Charter arising from a review will be put to the Board for consideration.

ADOPTED BY THE BOARD ON 23 SEPTEMBER 2021

## APPENDIX A

### OUR VISION

Our vision is to create technology that will spur transformational solutions to complex global challenges.

### OUR MISSION

Our mission is to build and bring to market the next generation of semiconductors for an increasingly mobile and data-centric world.

### OUR VALUES

At Archer, our values drive our culture, support the way we work, and help shape our strategy, vision, and mission, fuelling our passion for developing breakthrough technologies.

#### Excellence

- We uniquely and ambitiously reframe what it means to succeed.

#### Leadership

- We are committed to making a positive, long-term big-picture impact.

#### Collaboration

- We continually strengthen our dynamic team and our teamwork to get things done.

#### Integrity

- We act ethically with honesty, transparency, and openness, in all that we do.

### OUR PEOPLE

Archer's people are diverse and dedicated, operating with the highest level of integrity and focus to fulfill Archer's mission and deliver value for its shareholders.

### OUR STRATEGIC PILLARS

Our strategic pillars help us realise our vision and mission, with an emphasis on delivering value to our shareholders.

#### Identity

- Build one of Australia's leading deep techs.
- Enter and maintain admission to the S&P/ASX All Technology Index.
- Educate investors to increase acceptance of our global market opportunity.

#### Growth

- Anticipate changing market drivers of technology.
- Differentiate our product development with next-gen processors, sensors, and memory devices.
- Partner with leading tech multinationals and build new ventures.

#### Innovation

- Develop a qubit processor for mobile-centric end uses.
- Build world-class quantum computing capability.
- Internationally protect and prosecute our intellectual property.

#### Performance

- Deliver consistent operational excellence.
- Sustain transparent risk management and good corporate governance.
- Reduce operating costs and manage capital to strengthen organisational capability.