

REMUNERATION AND NOMINATION COMMITTEE CHARTER

1. PURPOSE

The Remuneration and Nomination Committee (**Committee**) is a standing Board Committee appointed by, and accountable to, the Board of Archer Materials Limited (**Archer** or **Company**).

The principal purpose of the Committee is to assist and support the Board on matters relating to Archer's employment, retention and remuneration practices, including (but not limited to):

- the remuneration of Directors, Executive Leadership Team, and employees;
- succession planning for the Board and Executive Leadership Team;
- the structure, composition, and performance of the Board;
- the culture of the Company and its alignment to strategy;
- material risks insofar as they relate to people and remuneration matters; and
- compliance with applicable regulatory obligations and the Company's relevant policies and procedures.

The Committee will primarily fulfil these responsibilities by carrying out the activities detailed in Appendix 1.

For the purposes of this document "the **Company**" also refers to all entities and operations controlled by Archer Materials Limited.

2. COMPOSITION

2.1. The Committee shall be appointed by the Board and shall:

- Comprise at least three members and have a majority of independent non-executive members;
- Have between its members sufficient contemporary expertise and understanding of remuneration and related matters to be able to discharge the Committee's responsibilities;
- External consultants/advisors may be engaged by the Committee in order to complement the skills and experience of the Committee; and
- Be chaired by a non-executive independent Director who is not Chair of the Board.

2.2. A Committee member may resign as a member of the Committee upon reasonable notice in writing to the Committee Chair or the Board.

2.3. Any member of the Committee may be removed at any time by a resolution of the Board. Any vacancy on the Committee occurring for any reason may be filled by a nominee and pursuant to a resolution of the Board.

3. AUTHORITY

- 3.1. The Committee is authorised by the Board to assist it in fulfilling its statutory and regulatory responsibilities.
- 3.2. The Committee acts as an advisory body to the Board and, unless otherwise determined or delegated by the Board, its power and authority is limited to making **recommendations** to the whole Board.
- 3.3. The Committee has the authority and power to exercise the role and responsibilities set out in this Charter and under any separate resolutions of the Board from time to time, and to make recommendations to the Board.
- 3.4. The Committee has authority from the Board to review and investigate any matter within the scope of its Charter and to make recommendations to the Board in relation to the outcomes of its investigations in line with the Relevant Standards. The Committee has no delegated authority from the Board to determine the outcomes of its reviews and investigations and the Board retains its authority over such matters.
- 3.5. The Committee may, in its discretion, delegate all or some of its responsibilities to a sub-committee.

4. MEETINGS

- 4.1. The Committee shall meet at least twice a year or more frequently as required to undertake its role effectively.
- 4.2. The Committee may consider matters and reach agreement via a circulating written resolution if it is signed by all members.
- 4.3. A quorum for a Committee meeting is two (2) members.
- 4.4. The Company Secretary shall act as Secretary to the Committee and distribute meeting papers one (1) week prior to each meeting.
- 4.5. The proceedings and meetings of the Committee will be governed by the Constitution of the Company for regulating the meetings and proceedings of the Board in so far as they are applicable and are not inconsistent with this Charter.
- 4.6. At the discretion of the Chair, other persons may be invited to attend meetings.

5. RESPONSIBILITIES

- 5.1. The Committee's specific responsibilities are detailed in Appendix 1

6. REPORTING

- 6.1. The Committee Chair shall report on the key matters discussed at each Committee meeting at the next regular Board Meeting.
- 6.2. Minutes shall be circulated to all Committee members within ten (10) business days of the meeting and a copy shall be included in the Board's meeting pack for noting at its next regular meeting.
- 6.3. The Committee will also consider if any material matters arising out of the Committee meeting should be advised to any other Committee and, if so, ensure that this occurs.

7. ACCESS

- 7.1. The Committee has unrestricted access to the Company's employees and records, that it considers relevant to its responsibilities. The Committee has rights of access to Management and to auditors (external and internal) without Management present, and rights to seek explanations and additional information from both Management and auditors.
- 7.2. The Committee is authorised to engage, at the Company's expense, outside legal or other professional advice or assistance on any matters within its Charter.

8. OTHER MATTERS

- 8.1. The Committee shall review its Charter at least once every two years and, if appropriate, recommend changes to the Board.
- 8.2. In order to ensure that the Committee is fulfilling its duties, it will periodically undertake a self-assessment of its performance against the requirements of its Charter and provide that information to the Board.
- 8.3. The Board may change this Charter (including the responsibilities of the Committee) from time to time by resolution.

Approved by the Board on 16 February 2023

APPENDIX 1: SPECIFIC RESPONSIBILITIES OF THE REMUNERATION AND NOMINATION COMMITTEE

1. Remuneration Framework and Policies

- a) Periodically review the Company's remuneration framework and policy for ongoing appropriateness and relevance for the size and nature of the business, market conditions and alignment with the Company's risk management framework.
- b) Review all new and any proposed amendments to existing remuneration, retention, termination policies and practices as well as any material or strategic HR policies.

2. Non-executive Director Remuneration

- a) Review and make recommendations to the Board on the remuneration framework, policies and remuneration arrangements and contract terms for each of the non-executive Directors.
- b) Ensure that fees paid to Non-Executive Directors are within the aggregate amount approved by shareholders, advising the Board with respect to the process by which this aggregate amount is allocated to Non-Executive Directors, and making recommendations to the Board for any adjustment to this amount at the Annual General Meeting.
- c) Advise the Board on aspects of remuneration that should be subject to shareholder approval and/or disclosure.

3. Executive Remuneration

- a) Review and make recommendations to the Board on the contractual and remuneration arrangements for the Executive Chair, CEO and other members of the Executive Leadership Team having regard to the Company's Remuneration Policy, including:
 - fixed remuneration levels and superannuation arrangements;
 - short and long term performance targets and outcomes;
 - any retention, sign-on or equity buy-out awards;
 - participation in any equity incentive plan; and
 - any other forms of remuneration or benefits.
- b) Periodically review the Company's framework on Director, Executive Chair, CEO and other members of the Executive Leadership Team remuneration to confirm that it:
 - encourages and sustains a culture aligned with the Company's values;
 - is performance based and supports the Company's strategic objectives and long-term financial soundness;
 - is aligned with the Company's risk management framework and risk appetite; and
 - attracts and retains high performing members of the Executive Leadership Team,and delivers against the stated remuneration objectives set out in section 4.
- c) Any reviews of members of the Executive Leadership Team (except for the CEO) undertaken in accordance with paragraphs a) and b) above, will be conducted by the Committee in consultation with the CEO.

4. Executive Remuneration Policies and Practices

- a) Remuneration and incentive policies and practices for the Executive Leadership Team must be performance based and aligned with the Company's purpose, values, strategic objectives and risk appetite.
- b) Remuneration and incentive policies and practices for the Executive Leadership Team must be designed to:
 - motivate the Executive Leadership Team to pursue the long-term growth of the Company, without rewarding conduct that is contrary to the Company's values or risk appetite;
 - demonstrate a clear link between the Company's overall performance and the remuneration of the Executive Leadership Team;
 - attract and retain high-performing members of the Executive Leadership Team and employees;
 - appropriately incentivise positive risk behaviour and improved customer outcomes, encourage sound risk management of both financial and non-financial risks, and discourage unnecessary and excessive risk taking;
 - allow for proper adjustments to be made, including where risk and compliance failures occur;
 - ensure any termination benefits are justifiable and appropriate; and
 - be reasonable and fair.
- c) In the discharge of the Committee's responsibilities, no member of the Executive Leadership Team should be directly involved in determining their own remuneration.

5. General Remuneration across the Archer Group

In consultation with the CEO:

- a) Periodically review the general overall remuneration conditions of Archer employees not within the senior executive ranks and recommend the size of any pool for salary increases to be applied individually at the discretion of management.
- b) Periodically review and recommend the size of variable reward pools based on consideration of pre-determined business performance indicators and the Company's financial soundness.
- c) Consider any new or proposed major changes to employee benefits or structures.
- d) Review and endorse any remuneration arrangements outside of the Remuneration Framework or policy relating to individuals or groups of individuals which may be significant because of their sensitivity, precedent or disclosure implications.
- e) Provide a final determination on any staff grievances about remuneration or performance matters which are unable to be resolved by the management team.

6. Performance Incentive Plans and/or Equity Based Plans

- a) Monitor and make representations to the Board in relation to the design and implementation of all performance incentive plans and equity based plans, including performance hurdles, incentive pool amounts and participation.

- b) Review such plans in the light of any proposed legislative and regulatory changes as well as the market accepted "norms" for such plans.
- c) Review and endorse the proposed award of all incentives and equity under the plans.
- d) Consider whether circumstances exist under which it would be appropriate for the Board to exercise any discretion reserved to it under the plan rules and consider any requests for the exercise of the Board's discretion.
- e) Periodically review the performance hurdles and the effectiveness of incentive and equity based plans and make recommendations as to their future operation or discontinuance.

7. Goals and Performance Review

- a) Review the individual goals for the Executive Chair and CEO.
- b) Develop and recommend to the Board to approve the individual goals for the Executive Chair and CEO.
- c) Review and recommend to the Board to approve the company goals.
- d) Assist the Board in relation to the performance evaluation of the Executive Chair and CEO, including reviewing performance against pre-determined individual goals and the terms of their employment contracts and advising the Board of the outcomes of the performance reviews and any recommended actions.

8. Succession planning

Review succession and development plans for the Executive Chair, CEO and other members of the Executive Leadership Team to ensure an appropriate balance of skills, experience, diversity and expertise on the Executive Leadership Team and advising the Board of the outcomes of the succession plan reviews and any recommended actions.

9. People and Culture

- a) Monitor the Group's culture for its alignment with Company values, risk management processes and the reputation and brand of the Company.
- b) Monitor developments in relevant employment and workplace legislation and regulations and monitor the Company's compliance with such relevant legislation.
- c) Review the results of employee engagement and culture surveys and monitor the progress of any management actions undertaken in response to those surveys.
- d) Assess whether any behavioural matters are inadvertently arising as a result of the Group's remuneration and incentive arrangements.
- e) Review learning and development strategies, frameworks and programs which support employee and Director development and deliver improved personal and organisational performance.

10. Diversity and Inclusion

- a) Review the Company's Diversity Policy on a regular basis to ensure that the policy reflects relevant corporate governance and regulatory compliance with respect to diversity and inclusion.
- b) Develop and recommend to the Board to approve measurable objectives for achieving diversity in the composition of the Board, Executive Leadership Team and workforce generally.

- c) Oversee the progress towards the establishment of any measurable targets and objectives for achieving diversity and monitor progress towards their attainment annually.
- d) Monitor and assist the Board in the annual review of the Company's measurable objectives for achieving diversity and progress in achieving those objectives.
- e) Review and make recommendations to the Board in relation to any remuneration parity issues for Non-Executive Directors, members of the Executive Leadership Team and other employees identified in the remuneration review process.
- f) Consider reports on remuneration by gender.

11. Remuneration Consultants

- a) Oversee the Company's dealings with remuneration consultants for compliance with regulatory requirements (including the Corporations Act).
- b) For matters concerning Directors and Key Management Personnel:
 - i. Agree protocols for engaging and dealing with remuneration consultants; and
 - ii. Review and approve all engagement documents with external remuneration consultants.

12. Succession Planning

- a) Periodically review the succession plans for the leadership team.
- b) Undertake succession planning for the Archer Materials Limited Board, taking into account the challenges and opportunities facing the Group and the skills and expertise likely to be required on the Board for the future.

13. Board Composition and Review

- a) Identify and assess the necessary and desirable competencies of the Board and periodically review the collective skill set of the Board as a whole to assess whether it has the appropriate breadth and level of skills for effective and prudent oversight and stewardship of the Company.
- b) Determine whether the composition and mix remain appropriate for the Company's strategy and covers the skills needed to address existing and emerging business and governance issues relevant to the entity. Make recommendations to the Board regarding the size and composition of the Board.
- c) Identify any Board training or development needs.
- d) Periodically review the size and composition of the Board having regard to the optimum number and skill mix of Directors, subject to the limits imposed by the Company's Constitution and the terms served by existing Non-executive Directors.

14. Board renewal

- a) Assist the Board in recruiting new Directors. Identify, assess and recommend suitable candidates for appointment to the
 - i. Board of Archer Materials Limited;
 - ii. Subsidiary company Boards; and
 - iii. Archer's representatives to any joint venture boards or committees or representatives to any external Board in which the Company is entitled to, or has negotiated, Board representation.

- b) Review the nominations for appointed Non-Executive Directors who wish to be elected or reelected to the Board by shareholders, and make recommendations to the Board on the appointment, re-election and removal of Directors and the composition of Board Committees.
- c) Oversee the Director appointment process including assessments of required skills, diversity, experience, expertise and independence as well as Director pre-appointment background and probity checks as required by regulators.
- d) Ensure that an effective and up to date induction program for new Directors and professional development program for Directors, and a plan, as required for enhancing Directors' skills and competencies, taking into account Company's current business operations, future strategy and existing and emerging business and governance issues relevant to the Company.

15. Board performance

- a) Review the process for the evaluation of the Board, Directors and Committees.
- b) Review policies relating to Director independence, appointment, induction, development, tenure, Board composition and size.
- c) Review the time required from a non-executive Director and whether Directors are meeting that requirement.

16. Statutory Reporting and Shareholder Communication

- a) Review all
 - i. remuneration related resolutions and explanatory materials being put to shareholders for approval.
 - ii. public and statutory reporting by the Company of its remuneration policies and practices prior to release.
- b) Oversee the Company's compliance with applicable legal and regulatory requirements associated with remuneration reporting.
- c) Consider any reports and voting recommendations on remuneration related matters prepared by governance advisors and proxy advisory firms and make recommendations regarding liaison and communication with key stakeholders in relation to remuneration governance issues as required.