

ARCHER MATERIALS LIMITED

ACN 123 993 233

NOTICE OF ANNUAL GENERAL MEETING - 2023

EXPLANATORY MEMORANDUM

PROXY FORM

Date of Meeting:

Wednesday, 29 November 2023

Time of Meeting:

10.30 am (Sydney time)

Place of Meeting:

KPMG, Level 38, Tower Three, International Towers Sydney,
300 Barangaroo Avenue, Sydney, NSW, 2000.

For personal use only

Notice of Annual General Meeting – 2023

Notice is hereby given that the 2023 Annual General Meeting of Archer Materials Limited (the **Company**) will be held on Wednesday, 29 November 2023 at 10:30am (Sydney time) at the offices of KPMG, Level 38, Tower Three, International Towers Sydney, 300 Barangaroo Avenue, Sydney, NSW, 2000.

The Company strongly encourages Shareholders to read this Notice of Meeting carefully and vote by proxy following the instructions set out in this Notice of Meeting.

A copy of the Notice has been released as an ASX announcement and Shareholders can access a copy of the Notice of Meeting at the following link on the Company's website: www.archerx.com.au.

If you have elected to receive notices from the Company electronically, then you will receive an email providing a link to access your personalised proxy form online. For other Shareholders, a copy of your personalised proxy form will be sent to you by mail.

The Directors of Archer encourage Shareholders to participate in the Meeting by attending in person. Shareholders who are unable to attend the Meeting, are encouraged to appoint a proxy ahead of the Meeting to cast their vote at the Meeting. If you wish to appoint a proxy, please lodge your proxy online at www.investorvote.com.au.

This Notice of Meeting (which includes the following agenda, information for Shareholders and explanatory memorandum) details the formal business to be dealt with at the AGM.

How to participate in the AGM

In person

Shareholders can participate in the AGM in person by attending the offices of KPMG, Level 38, Tower Three, International Towers Sydney, 300 Barangaroo Avenue, Sydney, NSW, 2000.

How to submit your vote in advance of the meeting

Proxy votes must be received by 10.30am (Sydney time) on Monday, 27 November 2023 to be valid for the Meeting. Instructions on how to appoint a proxy are on the online voting website, www.investorvote.com.au.

Your proxy may be appointed in a variety of ways described on pages 4 and 5 of this Notice under 'Appointment of proxies and corporate representatives'.

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AGENDA

General Business

Financial Statements and Report

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2023.

Ordinary Resolutions

1. Adoption of Remuneration Report

To consider, and if thought fit, to pass the following non-binding Ordinary Resolution:

'That the Remuneration Report for the year ended 30 June 2023 be adopted.'

2. Re-election of Bernadette Harkin as a Director

To consider, and if thought fit, to pass the following as an Ordinary Resolution:

'That Bernadette Harkin be re-elected as a Non-Executive Director of the Company.'

3. Approval of Issues of Securities under the New Performance Rights Plan and Share Option Plan

To consider, and if thought fit, to pass the following Ordinary Resolution:

'That, for the purposes of Listing Rule 7.2, Exception 13, and for all other purposes, Shareholders approve issues of securities under the new employee incentive plan of the Company known as the 'Archer Materials Limited Employee Performance Rights and Share Option Plan' (New Plan), on the terms and conditions outlined in the Explanatory Memorandum.'

Special Resolutions

4. Modification of the Company's Constitution

To consider, and if thought fit, to pass the following Special Resolution:

'That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the amendment of the Constitution of the Company, on the terms and conditions set out in the Explanatory Memorandum.'

5. Approval of 10% additional placement capacity

To consider, and if thought fit, to pass the following Special Resolution:

'That, for the purpose of Listing Rule 7.1A, approval is given for the Company to issue Equity Securities totalling up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Memorandum.'

6. Renewal of proportional takeover provisions in the Constitution

To consider, and if thought fit, to pass the following Special Resolution:

'That the existing proportional takeover provisions in the form set out in Rule 6 of the Company's constitution, as set out in Annexure B of the Explanatory Memorandum, are renewed for a period of three years commencing on the date of the Meeting pursuant to section 648G of the Corporations Act.'

VOTING EXCLUSIONS

Resolution 1 (Remuneration Report)

A vote must not be cast (in any capacity) on Resolution 1 by, or on behalf of:

- a) a member of the Key Management Personnel, details of whose remuneration are included in the 2023 Remuneration Report; or
- b) a Closely Related Party of such a member,

unless the vote is cast by a person as proxy for a person entitled to vote in accordance with a direction on the proxy form.

However, a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- a) the proxy appointment is in writing that specifies the way the proxy is to vote on the resolution; or

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- b) the vote is cast by the Chair of the Meeting and the appointment of the Chair as proxy:
 - i) does not specify the way the proxy is to vote on the resolution; and
 - ii) expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 3 (Approval of Issues of Securities under the New Performance Rights Plan and Share Option Plan)

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 3 by any Director or any person who is eligible to participate in the Archer Performance Rights and Share Option Plan, and any Associate of that person. However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form;
- b) it is cast by the Chair of the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction given to the Chair of the Meeting to vote on the Resolution as the Chair of the Meeting decides; or
- c) by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the item; and
 - ii) the holder votes on the item in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, in accordance with the Corporations Act, a vote must not be cast on Resolution 3 (and will be taken not to have been cast if cast contrary to this restriction) by any participants or potential participants in the Performance Rights and Share Option Plan and their Associates, otherwise the benefit of Resolution 3 will be lost by such a person in relation to that person's future retirement. However, a vote may be cast by such a person if:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on Resolution 3; and
- (b) it is not cast on behalf of the person or an Associate of the person.

who (if any) may participate in a potential (if any) issue of Equity Securities under ASX Listing Rule 7.1A (if approved).

Resolution 5 (10% Additional Placement Capacity)

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of any person who may participate in the proposed issue, or who might obtain a benefit (other than a benefit solely in the capacity of a holder of Shares) if this Resolution is passed, and any Associates of such person. However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form;
- b) it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction given to the Chair of the Meeting to vote on the Resolution as the Chair of the Meeting decides; or
- c) by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the item; and
 - ii) the holder votes on the item in accordance with directions given by the beneficiary to the holder to vote in that way.

As at the date of this Notice of Meeting the Company has no specific plans to issue Equity Securities pursuant to ASX Listing Rule 7.1A or under Resolution 5 (if approved), therefore it is not known who (if any) may participate in a potential (if any) issue of Equity Securities under ASX Listing Rule 7.1A (if approved).

Chairman's voting intention

The Chairman intends to vote undirected proxies on, and in favour of, all the proposed Resolutions. If there is a change to how the Chairman intends to vote undirected proxies, then the Company will make an announcement to the market.

By order of the Board



Damien Connor
Company Secretary
12 October 2023

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INFORMATION FOR SHAREHOLDERS

Participating in the Meeting

In person

Shareholders can participate in the AGM in person by attending the offices of KPMG, Level 38, Tower Three, International Towers Sydney, 300 Barangaroo Avenue, Sydney, NSW, 2000

Questions from Shareholders

Archer welcomes your feedback. All Shareholders will have a reasonable opportunity to ask questions on the items of business during the meeting, including an opportunity to ask questions of the Company's Auditor, Grant Thornton.

You may submit written questions ahead of the AGM relating to the business of the meeting, including questions for the Company's Auditor, Grant Thornton. Questions for the Company's Auditor must relate to the content of the Auditor's Report or the conduct of the audit of the Financial Report.

Written questions must be received by the Company no later than 5.00pm (Sydney time) on Wednesday, 22 November 2023. You can send any written questions to:

Mail: to 'Archer Materials Limited AGM' at PO Box 190, Belair, SA, 5052

Email: hello@archerx.com.au

The Chairman will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the meeting. However, there may not be sufficient time available at the meeting to address all of the questions raised. Please note that individual responses will not be sent to Shareholders.

Voting

For the purposes of the meeting, Shares will be taken to be held by the persons who are registered as Shareholders as at 7.00pm (Sydney time) on Monday, 27 November 2023. Accordingly, transactions registered after that time will be disregarded in determining Shareholders entitled to vote at the Meeting.

Voting on all items of business will be conducted on a poll. On a poll, every Shareholder has one vote for every fully paid Share held. You may vote at the Annual General Meeting:

- a) in person at the meeting; or
- b) in advance of the meeting, by appointing a proxy and directing your proxy how to vote:
 - i) online at www.investorvote.com.au by 10:30am (Sydney time) on Wednesday, 22 November 2023; or
 - ii) completing your personalised proxy form and sending to the Company's Share Registry via:
 - Mail to: Archer Materials Limited C/- Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001 Australia;
 - Fax to: Archer Materials Limited C/- Computershare Investor Services Pty Limited (within Australia) 1800 783 447 (outside Australia) +61 3 9473 2555.
 - Mobile: Scan the QR Code on your proxy form and follow the prompts.
 - iii) online at www.intermediaryonline.com (only available to Custodian Voting with an Intermediary Online subscription).

To be valid, the proxy form, and any authority under which the form is signed, must be received by the Company or the Company's Share Registry prior to 10.30am (Sydney time) on Monday, 27 November 2023.

Appointment of proxies and corporate representatives

A Shareholder entitled to attend and vote is entitled to appoint up to two proxies. A proxy need not be a Shareholder and may be either an individual or a body corporate.

If a Shareholder is a corporation, it can attend and vote at the meeting by appointing an individual person to act as its corporate representative or by appointing a proxy to attend and vote on its behalf. A Shareholder that is a body corporate, or a proxy who is a body corporate, will need to ensure that it appoints an individual as its corporate representative to exercise its powers at the meeting and provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

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Where a Shareholder wishes to appoint two proxies, they can do so online at www.investorvote.com.au. A Shareholder appointing two proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints two proxies but fails to specify the proportion or number of votes that each may exercise, each proxy appointed may exercise half the Shareholder's votes. Fractions of votes are to be disregarded. If your proxy chooses to vote, they must vote in accordance with your directions. If you have directed your proxy to vote, and they do not participate in the meeting or choose not to vote on a poll, then the Chairman of the meeting will become your proxy by default and vote your proxies as directed by you (subject to applicable voting restrictions).

Subject to the voting restrictions set out below, if you do not direct your proxy to vote by marking the relevant box on the proxy form, your proxy may vote as they choose on that item of business.

If your proxy does not participate in the Meeting, the Chairman will become your proxy by default. The Chairman intends to vote all available proxies in accordance with the Board recommendations set out in the Explanatory Memorandum accompanying this Notice.

Generally, the Key Management Personnel (KMP) of the Company (which includes each of the Directors) and their Closely Related Parties will not be able to vote your proxy on Resolution 1 unless you have directed them how to vote or you have appointed the Chairman as your proxy. The circumstances in which KMP will be excluded from voting on Resolution 1 are set out above under the heading 'Voting Exclusions'.

If you intend to appoint a member of the KMP as your proxy, please ensure that you direct them how to vote on Resolution 1. If you intend to appoint the Chairman of the meeting as your proxy, you can direct them on how to vote on Resolution 1 by marking the relevant boxes on the proxy form. However, if the Chairman of the Meeting is your proxy (or becomes your proxy by default) and you do not mark any of the boxes opposite Resolution 1, by completing and submitting the proxy form you will be deemed to have expressly authorised the Chairman to vote as they decide.

To be valid, the proxy form, and any authority under which the form is signed, must be received by the Company or the Company's Share Registry prior to 10.30am (Sydney time) on Monday, 27 November 2023.

Voting by Attorney

A Shareholder entitled to attend and vote may appoint an attorney to act on his or her behalf at the meeting. An attorney may, but need not, be a Shareholder of the Company.

An attorney may not vote at the meeting unless the instrument appointing the attorney, and the authority under which the instrument is signed or a certified copy of the authority, are received by the Company in the same manner, and by the same time, as outlined above for proxy forms.

Proxy Lodgement

Proxies are able to be lodged by the following means:

- | | |
|-------------------|--|
| Online: | Enter the control number, SRN/HIN and postcode shown on the first page of the proxy form at www.investorvote.com.au |
| Mail: | Archer Materials Limited C/- Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001 Australia; or |
| Fax: | Archer Materials Limited C/- Computershare Investor Services Pty Limited (within Australia) 1800 783 447 (outside Australia) +613 9473 2555. |
| Mobile phone: | Scan the QR Code on your proxy form and follow the prompts. |
| Custodian Voting: | Custodian Voting is available for Intermediary Online subscribers only (Custodians) by visiting www.intermediaryonline.com to submit your voting intentions. |

To be valid, the proxy form, and any authority under which the form is signed, must be received by the Company or the Company's Share Registry prior to 10.30am (Sydney time) on Monday, 27 November 2023. Any proxy forms received after that time will not be valid for the Meeting.

Other Company documents and how to update your communication preferences

- A copy of the Company's 2023 Annual Report is available online at the Company's website www.archerx.com.au.
- In order to receive shareholder communications from the Company electronically, instead of by post, go to www.investorcentre.com.au to register your details and update your communication preferences.

Explanatory Memorandum

EXPLANATORY MEMORANDUM

Financial Statements and Report

As required by Section 317 of the Corporations Act, the Financial Report, Directors' Report and the Auditor's Report for the most recent financial year will be laid before the Meeting.

This item does not require a formal resolution to be put to the Meeting and there is no requirement for Shareholders to approve these reports.

During this item of business, Shareholders will be given reasonable opportunity to ask questions about the reports and the business and management of the Company. Also, Shareholders will be given a reasonable opportunity to ask a representative of the Company's Auditor, Grant Thornton, questions in relation to the conduct of the audit (including the independence of the Auditor), and the accounting policies adopted by the Company.

Resolution 1 – Adoption of Remuneration Report

Shareholders are asked to adopt the Company's Remuneration Report contained in the Directors' Report set out in pages 30 to 37 of the Company's 2023 Annual Report and is also available on the Company's website at www.archerx.com.au

The report outlines the Company's executive remuneration framework and the remuneration outcomes for the Company Board, CEO and other Key Management Personnel.

The Chairman will allow a reasonable opportunity for Shareholders to ask questions about the remuneration report at the meeting before calling for a vote.

The Shareholder vote on the Remuneration Report is advisory only and does not bind the Directors or the Company. The Board will consider and take into account the outcome of the vote and feedback from Shareholders on the Remuneration Report when reviewing the Company's remuneration policies.

Board Recommendation

The Non-Executive Directors unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 2 – Re-election of Bernadette Harkin as a Director

Bernadette Harkin has been a Non-Executive Director of the Company since 6 October 2021 and is Chairman of the Company's Remuneration & Nomination Committee and a member of the Company's Audit & Risk Management Committee.

In accordance with Listing Rule 14.5 and rule 8.1(f) of the Company's Constitution, Bernadette retires by rotation and being eligible, offers herself for re-election.

Bernadette holds an MBA from University of Technology Sydney and is a Graduate Member of the Australian Institute of Company Directors.

Bernadette has over 30 years of experience working as a business technologist across strategy, sales, marketing, operations, and delivery for multinational Information Technology companies including IBM, Avanade, and CGI. This includes 3 years at IBM where Bernadette served as a board member for IBM Philippines. Bernadette's experience covers technology areas of Cloud, Analytics, Mobility, AI and Security.

Bernadette's international experience spans leadership within large corporate governance structures and the start-up of new businesses. Bernadette has led and held senior advisory roles involving business transformations for businesses in the US, Europe, and Asia, including those within the STEM sector, which have been underpinned by corporate growth strategies leveraging innovative technologies.

The Board (with Bernadette abstaining) considers Bernadette Harkin to be an independent director.

Board Recommendation

The Board (with Bernadette abstaining) unanimously recommends that Shareholders vote in favour of this Resolution.

Explanatory Memorandum

Resolution 3 – Approval of Issues of Securities under the New Performance Rights Plan and Share Option Plan.

This Resolution 3 is an Ordinary Resolution.

Background

On 1 October 2022, amendments to the Corporations Act commenced, simplifying the process for incentivising participants under employee share schemes (ESS). Division 1A was introduced into Part 7.12 of the Corporations Act, providing a new regime for making offers in connection with an ESS (**New Regime**). This regime replaces the relief afforded by ASIC Class Order 14/1000 (**Class Order**), which was in force from 30 October 2014 to 1 January 2023.

To ensure that the Company's ESS complies with the New Regime, the Company will adopt, subject to Shareholder approval, a new ESS called the 'Archer Materials Limited Employee Performance Rights and Share Option Plan' (the **New Plan**).

Resolution 3 seeks Shareholder approval of the issue of Securities under the New Plan in accordance with Listing Rule 7.2 exception 13(b).

Under the New Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the New Plan. Annexure A provides a summary of the New Plan's key terms. In addition, a copy of the New Plan is available for review by Shareholders at the Company's registered office until the date of the Meeting. Shareholders are invited to contact the Company if they have any queries.

The Board considers it appropriate to update the New Plan rules to reflect the legislative changes under the New Regime. A summary of the key changes to the New Plan rules is set out in the table below:

Subject	Change
Offer regime	Awards may be offered relying on Division 1A of Part 7.12 of the Corporations Act.
Eligible persons	<p>Persons eligible to participate in the existing ESS plan approved by shareholders at the Company's 2022 Annual General Meeting (Current Plan) reflect eligibility requirements under CO 14/1000, being:</p> <ul style="list-style-type: none">a. Full-time or part-time employees of the Company or its related bodies corporate, including executive directors;b. non-executive directors of the Company or its related bodies corporate; andc. certain contractors and casual employees of the Company or its related bodies corporate who provide the pro-rata equivalent of 40% or more of a comparable full-time position. <p>The updated New Plan has been amended to reflect the changes in the scope of eligibility under the New Regime and now includes the following for offers of awards under the New Regime:</p> <ul style="list-style-type: none">d. any employee of the Company or its Associated Entities, whether actual or prospective;e. any director of the Company or its Associated Entities, whether actual or prospective;f. any individual who provides services to the Company or its Associated Entities (i.e. a contractor), whether actual or prospective;g. any person who otherwise constitutes a 'primary participant' under section 1100L(1)(a) of the Corporations Act – this definition reflects the persons listed above, but may be amended to include additional persons by regulation; andh. any other person who is a 'related person' of a 'primary participant' under section 1100L(1)(b) of the Corporations Act – this includes, certain immediate family members, controlled bodies corporate, a related self-managed superannuation fund trustee, and persons prescribed by regulation.
Issue cap	<p>CO 14/1000 issue cap</p> <p>CO 14/1000 limited the number of Shares (including Shares that underlie convertible awards) that could be offered under an ESS plan over a 3-year period to a maximum of 5% of Shares on issue. This restriction is reflected in the Current Plan rules.</p> <p>ESS issue cap</p> <p>The New Regime makes a distinction between those awards in relation to which monetary consideration is payable (whether on issue, transfer or exercise), and those awards where no monetary consideration is payable.</p>

Explanatory Memorandum

Subject	Change
	<p>For those awards under an ESS in relation to which no monetary consideration is payable, the New Regime provides that there is no limitation on the number of awards or underlying Shares that may be offered. Therefore, offers of such non-monetary awards under the New Plan relying on the relevant provision are not subject to any issue cap.</p> <p>However, for awards under an employee share scheme in relation to which monetary consideration is payable, the ESS applies a similar limit to CO 14/1000, save that the percentage amount is 5% or such other figure as set out in the Company's Constitution (Issue Cap). Resolution 4 below seeks to change the Issue Cap from 5% to 10%.</p> <p>Importantly, the issue cap under the New Regime is separate from the Listing Rule restrictions on issuing Equity Securities.</p>

Listing Rules 7.1 and 7.2, exception 13(b)

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 7.2, exception 13(b), provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of three years from the date on which Shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

Listing Rule 7.2, exception 13(b), ceases to be available to the Company if there is a material change to the terms of the New Plan from those set out in this Notice.

If Resolution 3 is passed, the Company will be able to issue Equity Securities under the New Plan pursuant to Listing Rule 7.2, exception 13(b), to eligible participants over a period of three years up to the Issue Cap without using the Company's 15% annual placement capacity under Listing Rule 7.1. However, any future issues of Equity Securities under the New Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

If Resolution 3 is not passed, any issue of Equity Securities pursuant to the New Plan must either be undertaken using the Company's 15% annual placement capacity under Listing Rule 7.1, or with prior Shareholder approval.

Listing Rule information

The following information is provided in relation to the New Plan, for the purposes of Listing Rule 7.2 exception 13(b):

(a) **Summary of terms**

A summary of the material terms of the New Plan is set out above and in Annexure A. A copy of the complete New Plan Rules is available on the Company's website at the following link, www.archerx.com.au

(b) **Securities issued/granted since listing or last approval**

Since the approval of the Current Plan at the Company's 2022 Annual General Meeting on 23 November 2022, the Company has not issued any Equity Securities under the Current Plan.

(c) **Maximum number of securities proposed to be issued**

If the Company decides to issue/grant Equity Securities under the New Plan, the maximum number over the next 3 years (excluding any Equity Securities issued with Shareholder approval under Listing Rule 10.14) is 25,000,000 Equity Securities. This number comprises approximately 10% of the Company's Equity Securities currently on issue.

(d) **Voting exclusion statement**

A voting exclusion statement is included in the Notice.

Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3. This will ensure that the New Plan reflects the current legislative regime under the Corporations Act and gives the Board the flexibility to issue/grant Equity Securities to eligible participants (who are not related parties) under the New Plan without using the Company's issuing capacity under Listing Rule 7.1.

Explanatory Memorandum

Resolution 4 – Modification of the Company’s Constitution

This Resolution 4 is a Special Resolution which requires approval of 75% of the votes cast by Shareholders present and eligible to vote on this Resolution.

Background

As described above in the explanatory notes for Resolution 3, in October 2022 Division 1A was introduced into Part 7.12 of the Corporations Act, providing a new regime (**New Regime**) for making offers in connection with an employee share scheme (**ESS**).

The New Regime makes a distinction between securities offered under an ESS for monetary consideration and offers for no monetary consideration.

Equity Securities are offered for monetary consideration under an ESS if the recipient of the relevant Equity Securities must pay to receive the Equity Securities or the Equity Securities are options or performance rights, and monetary consideration is payable on the exercise of the options or rights.

An offer of Equity Securities under an ESS is for no monetary consideration if the offer recipient does not have to pay monetary consideration to receive the Equity Securities or if the offer is of options or incentive rights – no monetary consideration is to be provided on the exercise of the options or rights.

Corporations Act issue cap

Under the New Regime and New Plan:

- there is no maximum limit on the number of Options or Rights that the Company may issue/grant for no monetary consideration; and
- offers that are made for monetary consideration must comply with the issue cap in s1100V of the Corporations Act. Under s1100V(2), the issue cap for an ASX-listed company over a three year period is 5% of Shares on issue unless the entity’s constitution specifies another percentage.

Proposed amendment to the Constitution

The proposed amendment to the Company’s Constitution provides the ability for the Company to increase the 5% issue cap under the Corporations Act in respect of offers for monetary consideration under the New Plan to 10% (see Resolution 3 above). The proposed modification to the existing Constitution is to insert the following new rule 2.9:

“2.9 ESS issue cap percentage

For the purpose of section 1100V(2)(a) of the Act, the issue cap percentage is 10%.”

If Resolution 4 is not passed, the 5% issue cap under the Corporations Act for the offer or issue of Rights or Options under the New Plan (or Current Plan if Resolution 3 is not approved) will continue to apply.

Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 4 for the amendment of the Company’s Constitution

Resolution 5 - Approval of 10% Additional Placement Capacity

This Resolution 5 is a Special Resolution which requires approval of 75% of the votes cast by Shareholders present and eligible to vote on this Resolution.

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting at which approval of the issue is obtained by special resolution (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company’s 15% placement capacity under Listing Rule 7.1 and allows the Company to issue up to 25% of its issued capital in total.

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

The Company is now seeking Shareholder approval by way of a Special Resolution which requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) to have the ability to issue Equity Securities under the 10% Placement Capacity. The exact number of Equity Securities that may be issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

Explanatory Memorandum

Number of Shares

The formula for calculating the maximum amount of securities that may be issued under the 10% Placement Capacity is calculated as follows:

(A x D) – E

- A** The number of fully paid ordinary securities on issue at the commencement of the relevant period:
- plus the number of fully paid ordinary securities issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
 - plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - o the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - o the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
 - plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - o the agreement was entered into before the commencement of the relevant period; or
 - o the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
 - plus the number of any other fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or Listing Rule 7.4;
 - plus the number of partly paid ordinary securities that became fully paid in the relevant period;
 - less the number of fully paid ordinary securities cancelled in the relevant period.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under Listing Rule 7.4.

“relevant period” means:

- if the entity has been admitted to the official list for 12 months or more, the 12 month period immediately preceding the date of the issue or agreement; or
- if the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement.

The ability to issue Equity Securities under Listing Rule 7.1A is in addition to the entity’s 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 254,847,013 Shares and therefore has capacity to issue 38,227,052 Equity Securities under Listing Rule 7.1.

Subject to approval of this Resolution 5 in this Notice by Special Resolution, the Company will have the additional capacity to issue 25,484,701 Equity Securities under Listing Rule 7.1A.

A number of scenarios showing potential issues under Listing Rule 7.1A are detailed in the table below.

Specific information required by Listing Rule 7.3A

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

1) Equity Securities that can be issued

Any Equity Securities issued under rule 7.1A must be in an existing quoted class of the Company’s Equity Securities, which presently are ordinary shares.

2) Minimum issue price

For the purpose of Listing Rule 7.1A.3, any Equity Security issued under this 10% Placement Capacity must be issued for cash consideration only, and not be issued at a price per Equity Security that is less than 75% of the VWAP for equity securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

Explanatory Memorandum

- i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - ii) if the securities are not issued within 10 trading days of the date in paragraph i), the date on which the Equity Securities are issued.
- 3) **Risk of economic and voting dilution**

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the table below (in the case of unlisted options, only if the unlisted options are exercised).

There is a risk that:

- i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the approval under rule 7.1A; and
- ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below describes the potential dilution of existing ordinary security holders on the basis of at least three different assumed issue prices and values for the variable "A" in the formula in rule 7.1A.2, and also shows:

- i) at least one example that assumes variable "A" is double the number of ordinary securities on issue at the time of the approval under rule 7.1A. Variable "A" is the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future meeting of Shareholders; and
- ii) at least one example where the issue price of ordinary securities has fallen by at least 50%.

Variable 'A' in Listing rule 7.1A.2		Dilution at different share prices		
		\$0.235 (50% decrease)	\$0.47 (Issue Price)	\$0.94 (100% increase)
Current Variable A 254,847,013 Shares	10% voting dilution	25,484,701 Shares	25,484,701 Shares	25,484,701 Shares
	Funds raised	\$5,988,904	\$11,977,809	\$23,955,618
50% increase in current Variable A 382,270,519 Shares	10% voting dilution	38,227,051 Shares	38,227,051 Shares	38,227,051 Shares
	Funds raised	\$8,983,356	\$17,966,713	\$35,933,427
100% increase in current Variable A 509,694,026 Shares	10% voting dilution	50,969,402 Shares	50,969,402 Shares	50,969,402 Shares
	Funds raised	\$11,977,809	\$23,955,618	\$47,911,237

The table above has been prepared on the following assumptions:

- i) The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity;
- ii) No unlisted options (including any unlisted options issued under the 10% Placement Capacity) are exercised into Shares before the date of the issue of the Equity Securities;
- iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1 or as a result of any issues of Equity Securities pursuant to any other approval under Chapter 7 of the Listing Rules.
- vi) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- vii) The issue price is \$0.47, being the closing price of the Shares on ASX on 5 October 2023.

Explanatory Memorandum

4) Timing

The date by which the Equity Securities may be issued under the approval sought in this Resolution 5 is the earlier of:

- i) the date that is 12 months after the date of this Annual General Meeting;
- ii) the time and date of the Company's next annual general meeting; and
- iii) the date of approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (change involving main undertaking).

The approval will cease to be valid in the event that holders of the Company's ordinary securities approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (change involving main undertaking).

5) Purposes for which Equity Securities may be issued

The Company may seek to issue the Equity Securities to use the funds raised towards an acquisition of new projects, assets or investments (including expenses associated with such acquisition), continued expenditure on development of the Company's advanced materials technologies and/or general working capital.

6) Allocation Policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- 1) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- 2) the effect of the issue of the Equity Securities on the control of the Company;
- 3) the financial situation and solvency of the Company; and
- 4) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

At the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A and has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in any such issue. Accordingly, no votes will be disregarded on this Resolution, in accordance with Listing Rule 14.11.1.

However, in the event that between the date of this Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A to one or more existing Shareholders, those Shareholders' votes will be excluded under the voting exclusion statement in the Notice.

7) Issues in the past 12 months

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2022 AGM on 23 November 2022.

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has not issued or agreed to issue Equity Securities under Listing Rule 7.1A.

8) Effect if Resolution 5 is not passed

If Resolution 5 is not passed, any issue of Equity Securities will be made under the 15% capacity in Listing Rule 7.1, or otherwise the Company will seek shareholder approval for a specific issue of Equity Securities.

Board Recommendation

The Board considers that the approval of the issue of the 10% Placement Capacity described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should it be required.

Accordingly, the Board unanimously recommends that Shareholders vote in favour of this Resolution.

Explanatory Memorandum

Resolution 6 – Renewal of proportional takeover provisions in the constitution.

This Resolution 6 is a Special Resolution which requires approval of 75% of the votes cast by Shareholders present and eligible to vote on this Resolution.

Background to Resolution 6

The Company's Constitution currently contains provisions dealing with proportional takeover bids for Archer Materials Limited Shares in accordance with the Corporations Act. The provisions, which are contained in Rule 6 of the Constitution, are designed to assist Shareholders to receive proper value for their Shares if a proportional takeover bid is made for the Company.

Under the Corporations Act, these provisions must be renewed every three years or they will cease to have effect. If renewed, the proposed proportional takeover provisions will be in exactly the same terms as the existing provisions and will have effect for a three-year period commencing on 29 November 2023.

The Corporations Act requires that the following information be provided to shareholders when they are considering the inclusion of proportional takeover provisions in a constitution.

Effect of a proportional takeover bid provision

A proportional takeover bid is one where an offer is made to each shareholder for a proportion of that shareholder's shares.

If the proportional takeover provisions in the Constitution are renewed and a proportional takeover bid is made after the date of the Meeting, then the Directors must hold a meeting of the shareholders of the class of shares being bid for to consider whether or not to approve the bid.

The Directors must ensure that a resolution to approve the bid is voted on at least 14 days before the last day of the bid period. The resolution will be passed if more than 50 percent of eligible votes are cast in favour of the approval.

The bidder and its associates are not entitled to vote on the resolution.

If no such resolution is voted on by the above deadline, a resolution approving the bid is taken to have been passed.

If a resolution to approve the bid is rejected, binding acceptances are required to be rescinded, and all unaccepted offers and offers failing to result in binding contracts are taken to have been withdrawn.

If the bid is approved or taken to have been approved, the transfers resulting from the bid may be registered provided they comply with other provisions of the Corporations Act and the Company's constitution.

The proportional takeover provisions do not apply to full takeover bids and will only apply until 29 November 2026, unless again renewed by shareholders.

Reasons for proposing the resolution

The Directors consider that Shareholders should have the opportunity to vote on any proportional takeover bid for the Company. Without the proportional takeover provisions being included in the Constitution, a proportional takeover bid for the Company may enable control of the Company to be acquired without Shareholders having the opportunity to sell all of their Shares to the bidder. Shareholders may therefore be at risk of passing control to the bidder without payment of an adequate control premium for all their Shares whilst leaving themselves as part of a minority interest in the Company.

The proportional takeover approval provisions lessen these risks because they allow Shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

The benefit of the provision is that Shareholders are able to decide collectively whether the proportional offer is acceptable in principle and it may ensure that any partial offer is appropriately priced.

No knowledge of present acquisitions proposals

As at the date of this notice, no Director of the Company is aware of a proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Explanatory Memorandum

Potential advantages and disadvantages for the Directors and shareholders of the Company

The renewal of the proportional takeover provisions will enable the Directors to formally ascertain the views of Shareholders in respect of a proportional takeover bid. Without such provisions, the Directors are dependent upon their perception of the interests and views of Shareholders. Other than this advantage, the Directors consider that the renewal of the proportional takeover provisions has no potential advantages or potential disadvantages for them as they remain free to make a recommendation on whether a proportional takeover offer should be approved.

The potential advantages of the proportional takeover provisions for Shareholders are:

- Shareholders have the right to determine by majority vote whether a proportional takeover bid should proceed;
- the provisions may assist Shareholders to avoid being locked in as a minority;
- increase in Shareholder's bargaining power which may assist in ensuring that any proportional takeover bid is adequately priced; and
- knowing the view of the majority of Shareholders assists each individual Shareholder in assessing the likely outcome of the proportional takeover bid and whether to accept or reject an offer under the bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- the likelihood of a proportional takeover bid being successful may be reduced and the provisions may discourage the making of a proportional takeover bids in respect of the Company;
- the provisions may reduce the opportunities which Shareholders may have to sell all or some of their Shares at a premium to persons seeking control of the Company and may reduce any takeover speculation element in the Company's share price; and
- the provisions may be considered an additional restriction on the ability of individual Shareholders to deal freely in their Shares.

However, on balance, the Directors of the Company do not perceive those or any other possible disadvantages as justification for not renewing the proportional takeover provisions for a further three years.

Review of advantages and disadvantages of the proportional takeover approval provisions

While proportional takeover provisions have been in effect under the Company's Constitution, no takeover bids for the Company have been made, either proportional or otherwise. Accordingly, there are no actual examples against which the advantages or disadvantages of the existing proportional takeover provisions (that is, Rule 6 of the Constitution) could be reviewed for the Directors and Shareholders. The Directors are not aware of any potential takeover bid that was discouraged by Rule 6.

Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 6 for the renewal of the proportional takeover provision in the Company's Constitution.

Explanatory Memorandum

Definitions

In the Explanatory Memorandum and Notice of Annual General Meeting:

2023 Annual Report means the Company's annual report for the financial year ended 30 June 2023.

Archer or the **Company** means Archer Materials Limited (ABN 64 123 993 233).

Associate has the meaning given to that term in the Corporations Act.

Associated Entity has the meaning given to that term in section 50AA of the Corporations Act.

ASX means ASX Limited (ABN 98 008 624 691).

Board means the board of Directors.

Closely Related Party has the same meaning as in the Corporations Act.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Director means a director of the Company.

Employee means a director, full or part time employee, casual employee or contractor of the Group.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the Explanatory Memorandum accompanying the Notice of Meeting

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Key Management Personnel or **KMP** means a member of the key management personnel as disclosed in the Remuneration Report.

Listing Rules means the listing rules of ASX.

Meeting or **AGM** or **Annual General Meeting** means the Annual General Meeting of Shareholders to be held on Wednesday, 29 November 2023 at 10.30am (Sydney time) at the offices of KPMG, Level 38, Tower Three, International Towers Sydney, 300 Barangaroo Avenue, Sydney, NSW, 2000.

Member or **Shareholder** means each person registered as the holder of a Share.

New Plan means the new Archer Materials Limited Employee Performance Rights and Share Option Plan.

Notice means this Notice of Annual General Meeting.

Option means an Unlisted Option to subscribe for a Share.

Option Holder means the holder of an Option.

Ordinary Resolution means a resolution passed by more than 50% of the votes at a general meeting of Shareholders.

Remuneration Report means the report of the same name on pages 30 to 37 of the Company's 2023 Annual Report.

Resolution means a resolution referred to in this Notice.

Right means a Right to receive a Share for each Right at no cost.

Share means a fully paid ordinary share in the capital of the Company.

Special Resolution means a resolution passed by 75% or more of the votes at a general meeting of Shareholders.

Sydney time means legal time in Sydney, New South Wales, Australia.

Unlisted Option means an Option that is not quoted on ASX.

VWAP means volume weighted average market price.

Explanatory Memorandum

ANNEXURE A – KEY TERMS AND CONDITIONS OF THE NEW PERFORMANCE RIGHTS PLAN AND SHARE OPTION PLAN

1) Eligibility

The Board may, in its absolute discretion, grant Performance Rights and Options to an “Eligible Employee”. An “Eligible Employee” is a director, full or part time employee, casual employee or contractor of the Group or as determined by the Board from time to time, who is invited by the Board to participate in the New Plan.

In determining which Employees will receive an Invitation and the number of Performance Rights or Share Options to be offered to those selected Eligible Employees, the Board will take into account the following:

- (i) the Company’s formal policy for remunerating its executives, directors, contractors and/or employees;
- (ii) the contribution (and potential contribution) made by an Employee to the Company (or any Group member);
- (iii) the need to create an incentive for executives, directors, contractors and/or employees to encourage retention and succession planning;
- (iv) whether the Eligible Employee will continue to be an employee, director or contractor of the Group at or soon after the time of the issue of the Performance Rights or Share Options;
- (v) taxation implications for the Group, the Eligible Employee and/or other Eligible Employees participating in the Plan;
- (vi) securities and/or employment laws; and
- (vii) an Eligible Employee's demonstrated capacity to add value to the Company.

2) Administration of the Plan

Subject to the requirements of the Listing Rules and the Corporations Act, the Board will administer the Plan and determine the persons to whom Equity Securities will be offered under the Plan and the number of Equity Securities which may be offered to those persons.

3) Terms

Any invitation by the Board will be on such terms and conditions as the Board determines including without limitation as to criteria, number of Rights or Options that the relevant Eligible Employee may apply for, when and in what circumstances a Right or Option may become a vested performance right or option and any other criteria to be satisfied, the applicable exercise period, the applicable exercise price and the applicable performance conditions.

4) Rights and Options

- a) A Right or Option entitles its holder to a Share which can be exercised once the Right or Option has become exercisable and provided it has not lapsed.
- b) The Board may determine that certain performance conditions must be satisfied before a Right or Option becomes exercisable. If the performance conditions are satisfied, the Rights or Options vest and may become exercisable.
- d) A Right or Option does not give the holder a legal or beneficial right to Shares. Rights and Options do not carry any rights or entitlements to dividends, return of capital or voting in shareholder meetings.
- f) A Right or Option does not entitle the holder to participate in any new issues of securities unless, before the record date for determining entitlements under the new issue, that Right or Option has vested, been exercised and a Share has been issued in respect of that Right or Option.

5) Exercise of Performance Rights and Options

- a) Rights and Options will vest and become exercisable if:
 - i) any performance conditions set by the Board at the time of the grant are met;
 - ii) an event occurs such as the winding up of the Company; or
 - iii) the Board determines that a Right or Option becomes a vested Right or Option.
- b) Once the Rights or Options become exercisable, the holder will need to exercise those Rights or Options to acquire Shares. The exercise of any vested Right or Option granted under the Plan will be effected in the form and manner determined by the Board.

Explanatory Memorandum

6) Lapse and Forfeiture

- a) The Rights and Options will lapse on the expiry date. This period may be shortened if the holder ceases to be employed under certain circumstances.
- c) A Share issued on the exercise of a Right or Option will be forfeited or the Board may, in its absolute discretion, determine any unvested Rights or Options to have lapsed and/or where any Shares issued on the exercise of a Right or Option have been sold, require the holder to pay all or part of the net proceeds of that sale to the Company, if in the opinion of the Board, the holder acts fraudulently or dishonestly or is in breach of its obligations.

7) Restrictions

- a) Participants in the Plan are prohibited from transferring Rights or Options without the consent of the Board or in the event of death, mental incapacity or bankruptcy.
- b) Rights or Options will not be listed for quotation on the ASX. Shares issued on the exercise of vested Rights or Options will be subject to transfer restrictions as determined by the Board at the time of granting the Right or Option.
- c) In the event of any reconstruction of the issued capital of the Company between the date of allocation of the Rights or Options and the exercise of those Rights or Options, the number of Shares to which the holder will become entitled on the exercise of the Right or Option or any amount payable on exercise of the Right or Option will be adjusted as determined by the Board and in accordance with the Listing Rules.

8) Issue cap

Pursuant to the 'issue cap' under section 1100V of the Corporations Act, the Directors will not make an offer of Equity Securities under the Plan where monetary consideration is payable in relation to those Equity Securities and which relies on the employee share scheme provisions in Division 1A of Part 7.12 of the Corporations Act unless they have reasonable grounds to believe that:

- a) the total number of Shares that are, or are covered by, the Rights and Options that may be issued under the offer; and
- b) the total number of Shares that are, or are covered by, Rights or Options that have been issued, or could have been issued, under offers made in connection with Plan at any time in the 3 year period prior to the offer being made,

does not exceed 5% (or such other percentage as specified in the Constitution, from time to time) of the total number of underlying Shares in that class on issue, as at the date of the offer.

Offers of Rights or Options under the New Plan where no monetary consideration is payable in relation to those Equity Securities and which rely on the New Regime are not subject to any issue cap.

Exceptions

Except and to the extent required by law, the calculation of the issue cap excludes any Rights or Options offered:

- in circumstances where the Company does not rely upon on Division 1A of Part 7.12 of the Corporations Act or a legislative instrument having a similar effect;
- to a person situated outside of Australia at the time of receipt of the offer;
- an offer that did not need disclosure due to sections 708 or 1012D of the Corporations Act; or
- an offer made under a prospectus or other disclosure document.

9) Cashless exercise

Unless an offer expressly states otherwise, a convertible award in relation to which an exercise price is payable by the participant (e.g. an Option) will allow a participant to set off the exercise price payable against the value of the Shares to be received. Consequently, the participant will be issued fewer Shares, equal in value to the difference between the exercise price otherwise payable and the market value of the corresponding Shares.

Explanatory Memorandum

ANNEXURE B – PROPORTIONAL TAKEOVER PROVISIONS

The following is rule 6 of the Constitution:

6 Plebiscite to approve proportional takeover bids

6.1 Definitions

The meanings of the terms used in this rule 6 are set out below.

Approving Resolution means in relation to a Proportional Takeover Bid: a resolution to approve the Proportional Takeover Bid passed in accordance with rule 6.3.

Approving Resolution Deadline means in relation to a Proportional Takeover Bid: the day that is 14 days before the last day of the bid period, during which the offers under the Proportional Takeover Bid remain open or a later day allowed by the Australian Securities and Investments Commission.

Proportional Takeover Bid means a takeover bid that is made or purports to be made under section 618(1)(b) of the Act in respect of securities included in a class of securities in the company.

Relevant Class means in relation to a Proportional Takeover Bid, means the class of securities in the company in respect of which offers are made under the Proportional Takeover Bid.

6.2 Transfers not to be registered

Despite rules **Error! Reference source not found.** and **Error! Reference source not found.**, a transfer giving effect to a contract resulting from the acceptance of an offer made under a Proportional Takeover Bid must not be registered unless an Approving Resolution to approve the Proportional Takeover Bid has been passed or is taken to have been passed in accordance with rule 6.3.

6.3 Approving Resolution

- (a) Where offers have been made under a Proportional Takeover Bid, the directors must:
- (1) convene a meeting of the persons entitled to vote on the Approving Resolution for the purpose of considering and, if thought fit, passing a resolution to approve the Proportional Takeover Bid; and
 - (2) ensure that the resolution is voted on in accordance with this rule 6.3, before the Approving Resolution Deadline.
- (b) The provisions of this constitution relating to general meetings apply, with such modification as the circumstances require, to a meeting that is convened under rule 6.3(a), as if that meeting were a general meeting of the company.
- (c) The bidder under a Proportional Takeover Bid and any associates of the bidder are not entitled to vote on the Approving Resolution and if they do vote, their votes must not be counted.
- (d) Subject to rule 6.3(c), a person who, as at the end of the day on which the first offer under the Proportional Takeover Bid was made, held securities of the relevant class, is entitled to vote on the Approving Resolution relating to the Proportional Takeover Bid.
- (e) An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.
- (f) If an Approving Resolution has not been voted on in accordance with this rule 6.3 as at the end of the day before the Approving Resolution Deadline, an Approving Resolution will be taken to have been passed in accordance with this rule 6.3 on the Approving Resolution Deadline.

6.4 Sunset

Rules 6.1, 6.2 and 6.3, cease to have effect at the end of 3 years beginning:

- (a) where those rules have not been renewed in accordance with the Act, on the date that those rules were adopted by the company; or
- (b) where those rules have been renewed in accordance with the Act, on the date those rules were last renewed.

AXE

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

Proxy Form

How to Vote on Items of Business

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

APPOINTMENT OF PROXY

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

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

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

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

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

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

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Need assistance?



Phone:

1300 738 349 (within Australia)
+61 (3) 9415 4649 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:30am (AEDT) on Monday, 27 November 2023.**

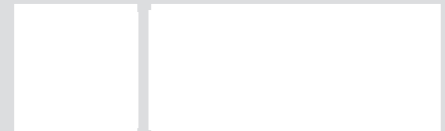
Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

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

By Fax:

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



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

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

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

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Archer Materials Limited hereby appoint

the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Archer Materials Limited to be held at KPMG, Level 38, Tower Three, International Towers Sydney, 300 Barangaroo Avenue, Sydney, NSW 2000 on Wednesday, 29 November 2023 at 10:30am (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 3 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 3 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 3 by marking the appropriate box in step 2.

Step 2 Items of Business

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

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Bernadette Harkin as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval of Issues of Securities under the New Performance Rights Plan and Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Modification of the Company's Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval of 10% additional placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Renewal of proportional takeover provisions in the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address

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

