
POWERHOUSE VENTURES LIMITED

ARBN 612 076 169

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: Noon (AEDT)

DATE: Monday, 30 November 2020

PLACE: The Meeting will be broadcast via Zoom.

If you wish to attend the Zoom teleconference, register your interest as soon as possible, and no later than 5:00pm (AEDT) on Monday, 23 November 2020, to secretarial@powerhouse-ventures.co.nz. You will receive an email on Thursday, 26 November 2020 with further details of how to access the Zoom teleconference.

Shareholders attending the Meeting via Zoom may lodge their votes online during the Meeting through <https://web.lumiagm.com/307901762> or by using the Lumi AGM app, which is available by downloading the app from the Apple App Store or Google Play Store. For further instructions on how to vote online please view the online meeting user guide at www.computershare.com.au/onlinevotingguide.

DUE TO THE CURRENT COVID-19 SOCIAL DISTANCING RESTRICTIONS, SHAREHOLDERS WILL NOT BE ABLE TO ATTEND THE MEETING IN PERSON.

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at noon (AEDT) on Saturday, 28 November 2020.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2020."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

A voting prohibition statement applies to this Resolution. Please see below.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR RUSSELL YARDLEY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 27.1 of the Constitution, Listing Rule 14.5 and for all other purposes, Mr Russell Yardley, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR GEOFF GANDER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 27.1 of the Constitution, Listing Rule 14.5 and for all other purposes, Mr Geoff Gander, a Director, retires by rotation, and being eligible, is re-elected as a Director."

5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR IAN LOTHIAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 27.1 of the Constitution, Listing Rule 14.5 and for all other purposes, Mr Ian Lothian, a Director, retires by rotation, and being eligible, is re-elected as a Director."

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 8,000,000 Options on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

7. RESOLUTION 6 – ADOPTION OF SECURITIES FOR FEES PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Securities for Fees Plan and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

8. RESOLUTION 7 – ISSUE OF INCENTIVE SECURITIES IN LIEU OF FEES TO MR RUSSELL YARDLEY

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 6, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue:

- (a) that number of Shares, when multiplied by the issue price, equals A\$26,250; and*
- (b) that number of Options, when multiplied by the issue price, equals A\$26,250,*

to Mr Russell Yardley (or his nominee) under the Plan on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

9. RESOLUTION 8 – ISSUE OF INCENTIVE SECURITIES IN LIEU OF FEES TO MR GEOFF GANDER

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 8, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue

- (a) that number of Shares, when multiplied by the issue price, equals A\$26,250; and*

- (b) that number of Options, when multiplied by the issue price, equals A\$26,250,

to Mr Geoff Gander (or his nominee) under the Plan on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

10. RESOLUTION 9 – ISSUE OF INCENTIVE SECURITIES IN LIEU OF FEES TO MR IAN LOTHIAN

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 8, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue

- (a) that number of Shares, when multiplied by the issue price, equals A\$11,250; and

- (b) that number of Options, when multiplied by the issue price, equals A\$11,250,

to Mr Ian Lothian (or his nominee) under the Plan on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

11. RESOLUTION 10 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

Dated: 27 October 2020

By order of the Board

Russell Yardley
Executive Chairman

Voting Prohibition Statements

Resolution 1 – Adoption of Remuneration Report	A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons: (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or (b) a Closely Related Party of such a member. However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either: (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or (b) the voter is the Chair and the appointment of the Chair as proxy: (i) does not specify the way the proxy is to vote on this Resolution; and expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
Resolution 6 – Adoption of Securities for Fees Plan	A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 7 – Issue of Shares In Lieu Of Fees to Mr Russell Yardley	A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 8 – Issue of Shares In Lieu Of Fees to Mr Geoff Gander	A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 9 – Issue of Shares In Lieu Of Fees to Mr Ian Lothian	A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
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Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 5 – Ratification of prior issue of Options	A person who participated in the issue or is a counterparty to the agreement being approved (namely PAC Partners Securities Pty Ltd) or an associate of that person or those persons.
Resolution 6 – Adoption of Securities for Fees Plan	A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.
Resolution 7 – Issue of Shares In Lieu Of Fees to Mr Russell Yardley	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Russell Yardley) or an associate of that person or those persons.
Resolution 8 – Issue of Shares In Lieu Of Fees to Mr Geoff Gander	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Geoff Gander) or an associate of that person or those persons.
Resolution 9 – Issue of Shares In Lieu Of Fees to Mr Ian Lothian	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Ian Lothian) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) 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 resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

In light of the limitations on indoor gatherings, **it is strongly recommended that the Chair is appointed as your proxy**, to ensure the proxy will be in attendance at the Meeting.

Voting in person

The Directors have resolved that Shareholders will not be able to attend the Meeting in person due to the Australian Government's implementation of prohibitions on public gatherings and social distancing measures in light of the COVID-19 pandemic.

Virtual attendance

The Meeting will be held by an audioconferencing facility which will allow Shareholders to listen and observe the Meeting via a Zoom teleconference.

If you wish to attend the Meeting via the Zoom teleconference, register your interest as soon as possible, and no later than 5:00pm (AEDT) on Monday, 23 November 2020, to secretarial@powerhouse-ventures.co.nz. You will receive an email on Thursday, 26 November 2020 with further details of how to access the Zoom teleconference.

Please note that to be able to vote during the Meeting, you must follow the instructions that are set out below.

Online voting

Shareholders attending the Meeting via Zoom may lodge their votes online during the Meeting:

- from their computer, by entering the URL into their browser: <https://web.lumiagm.com/307901762> ; or
- from their mobile device by either entering the URL in their browser: <https://web.lumiagm.com/307901762> or by using the Lumi AGM app, which is available by downloading the app from the Apple App Store or Google Play Store.

If you choose to vote during the Meeting, you can log in to the Lumi online voting platform as per the above instructions and entering:

- your username, which is your SRN or HIN, which can be located on the first page of your proxy form; and
- your password, which is the postcode registered to your holding if you are an Australian shareholder. Overseas shareholders should refer to the Lumi online meeting user guide for their password details.

You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible. For further instructions on how to vote online please view the online meeting user guide at www.computershare.com.au/onlinevotingguide.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company on +64 3 372 3321.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.powerhouse-ventures.co.nz.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTIONS 2 TO 4 – RE-ELECTION OF DIRECTORS

3.1 General

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Russell Yardley, who has served as a Director since 28 February 2017 and was last re-elected on 29 November 2018, retires by rotation and seeks re-election pursuant to Resolution 2.

Mr Geoff Gander, who has served as a Director since 15 September 2018 and was last re-elected on 25 November 2019, retires by rotation and seeks re-election pursuant to Resolution 3.

Mr Ian Lothian, who has served as a Director since 2 April 2019 and was last re-elected on 25 November 2019, retires by rotation and seeks re-election pursuant to Resolution 4.

3.2 Qualifications and other material directorships

(a) Mr Russell Yardley

Mr Yardley has been a professional Non-Executive Director and Chairman for the past decade following a career in the informational technology and communications sector. He is Chairman of The Resolution, a peer to peer learning network for company directors, board member of the Australian Research Data Commons supported by the Australian Government through the National Collaborative Research Infrastructure Strategy program, a member of the Victorian Government Purchasing Board as well as being an honorary member of the board of the Alannah and Madeline Foundation.

After spending more than 7 years at IBM, he founded his first company Decision Engineers that was merged with ASI to form Applied Learning that was then listed on the ASX in 1993. He was chairman of Readify Pty Ltd from 2012 until it was sold to Telstra in 2016, Chairman of Tesserent Limited through its listing on ASX in 2015 until 2018, Chairman of Alcideon Group Limited from 2012 until its reverse listing on ASX in 2015. Russell was the Victorian State Chair 2010-2011 and the National Treasurer 2011-2014 of the Australian Information Industry Association, was made an Honorary Member of the Australian Computer Society in 2010 and made a Fellow of the Australian Institute of Company Directors in 2012.

(b) **Mr Geoff Gander**

Geoff Gander has a corporate background across a range of industry sectors, including Technology and Oil & Gas. He has held a number of Executive and Non-Executive Director roles with ASX listed companies over the past 14 years and these entities have covered a range of industry verticals including technology, mining, mining services, retail and oil & gas.

Mr Gander is currently the Chairman/CEO of an ASX listed oil and gas company.

Mr Gander began his career in the technology sector in 1985 and continued to work with technology companies until 2004 at which time he began to focus on a wider range of industry verticals, working with organisations that were seeking either an initial public offering or were already publicly listed but required some form of market recapitalisation.

(c) **Mr Ian Lothian**

Mr Lothian is an experienced CA (CAANZ) with a background in business advisory and audit services, and strong commercial experience in horticultural exporting and development finance.

As an Audit Director at Audit New Zealand he held a variety of senior audit roles in the NZ public sector, including local government, health, tertiary education and the Governments of Samoa and Tokelau.

Mr Lothian holds an MBA with Distinction from the Edinburgh Business School at Heriot Watt University, and as a Chartered Member of the NZ Institute of Directors, he now acts as a professional independent director.

3.3 Independence

(a) **Mr Russell Yardley**

If re-elected the Board considers Mr Yardley will be an independent Director.

(b) **Mr Geoff Gander**

If re-elected the Board considers Mr Gander will be an independent Director.

(c) **Mr Ian Lothian**

If re-elected the Board considers Mr Lothian will be an independent Director.

3.4 Board recommendation

The Board has reviewed Mr Yardley, Mr Gander and Mr Lothian's performance since their appointments to the Board and considers that their respective skills and experience will continue to enhance the Board's ability to perform their respective role. Accordingly, the Board supports the re-election of Mr Yardley, Mr Gander and Mr Lothian and recommends that Shareholders vote in favour of Resolutions 2 to 4.

4. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS

4.1 General

As announced on 2 September 2020, the Company has entered into a corporate advisory engagement letter with PAC Partners Securities Pty Ltd (ACN 623 653 912) (**PAC Partners**) (**Mandate**).

The material terms of the Mandate are as follows:

- (a) **Services:** PAC Partners agreed to provide the Company with ongoing market advice services and assistance in allocating shortfall Securities from the Company's recent entitlement offer (together, the **Services**) (refer to the Company's Supplementary Prospectus dated 3 September 2020 for further information).
- (b) **Broker Options:** the Company agreed to issue 8,000,000 Options (**Broker Options**) to PAC Partners in consideration for the Services.
- (c) **Right of first and last refusal:** the Company provided PAC Partners with a first and last right of refusal to act as sole lead manager in the event that the Company seeks to raise additional equity before August 2021.

The Mandate otherwise contains otherwise contains terms and conditions considered standard for an agreement of its nature.

On 2 September 2020, the Company issued the Broker Options to PAC Partners.

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Broker Options.

4.2 Listing Rules 7.1, 7.1A and 7.4

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 securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 10 being passed at this Meeting.

The issue of the Broker Options does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Broker Options.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Broker Options.

4.3 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Broker Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Broker Options.

If Resolution 5 is not passed, the Broker Options will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Broker Options.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 10 being passed at this Meeting.

4.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) the Broker Options were issued to PAC Partners;
- (b) 8,000,000 Broker Options were issued and the Broker Options were issued on the terms and conditions set out in Schedule 1;
- (c) the Broker Options were issued on 2 September 2020;
- (d) the Broker Options were issued at a nil issue price, in consideration for ongoing market advice services provided by PAC Partners. The Company has not and will not receive any other consideration for the issue of the Broker Options (other than in respect of funds received on exercise of the Broker Options);
- (e) the purpose of the issue of the Broker Options was to satisfy the Company's obligations under the Mandate; and
- (f) the Broker Options were issued to PAC Partners under the Mandate. A summary of the material terms of the Mandate is set out in Section 4.1.

5. RESOLUTION 6 – ADOPTION OF SECURITIES FOR FEES PLAN

5.1 General

Resolution 6 seeks Shareholder approval for the adoption of the employee incentive scheme titled "Securities for Fees Plan" (**Plan**) and for the issue of Shares and Options (together, **Securities**) under the Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The purpose of the Plan is to give eligible participants an opportunity to subscribe for Securities in lieu of salary or fees, allowing the Company to retain cash reserves.

As summarised in Section 4.2 above, 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 that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 6 is passed, the Company will be able to issue Shares under the Plan to eligible participants over a period of 3 years. The issue of any Shares to eligible participants under the Plan (up to the maximum number of Shares stated in Section 5.2 below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Shares under the 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.

If Resolution 6 is not passed, the Company will be able to proceed with the issue of Shares under the Plan to eligible participants, but any issues of Shares will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Shares.

5.2 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 6:

- (a) a summary of the key terms and conditions of the Plan is set out in Schedule 2;
- (b) the Company has not issued any Securities under the Plan as this is the first time that Shareholder approval is being sought for the adoption of the Plan; and
- (c) the maximum number of Securities proposed to be issued under the Plan pursuant to Listing Rule 7.2 (Exception 13), following Shareholder approval, is 3,231,175 Securities (which represents 5% of the Company's current issued capital). It is not envisaged that the maximum number of Securities for which approval is sought will be issued immediately.

In addition to these Securities, the Company will seek prior Shareholder approval under Listing Rule 10.14 to issue Securities under the Plan to related parties (including the Securities proposed to be issued to Directors under Resolutions 7 to 9). These Securities are not included in the maximum number that is set out above and will only be issued after Shareholder approval under Listing Rule 10.14 is obtained.

6. RESOLUTIONS 7 TO 9 – ISSUE OF INCENTIVE SECURITIES IN LIEU OF FEES TO DIRECTORS

6.1 General

The Company has made conditional offers under the Plan to Mr Russell Yardley, Mr Geoff Gander and Mr Ian Lothian (together, the **Related Parties**) to receive Securities in lieu of receiving part of their respective Directors' fees (**Fees**) in cash. These offers are subject to Shareholder approval.

The Related Parties have agreed to these offers to the following extent:

- (a) Mr Russell Yardley and Mr Geoff Gander have agreed to receive:
 - (i) 35% of their Fees in Shares (**Incentive Shares**); and
 - (ii) 35% of their Fees in quoted Options, each exercisable at A\$0.07 on or before 31 December 2023 (**Incentive Options**); and
- (b) Mr Ian Lothian has agreed to receive:
 - (i) 15% of his Fees in Incentive Shares; and
 - (ii) 15% of his Fees in Incentive Options.

Accordingly, the Company has agreed, subject to obtaining Shareholder approval and to the adoption of the Plan (refer to Resolution 6), to make the following issues pursuant to the Plan and on the terms and conditions set out below (**Incentive Securities**):

Resolution	Related Party	Incentive Shares	Incentive Options
Resolution 7	Russell Yardley	That number of Shares, when multiplied by the issue price, equals A\$26,250	That number of Options, when multiplied by the issue price, equals A\$26,250
Resolution 8	Geoff Gander	That number of Shares, when multiplied by the issue price, equals A\$26,250	That number of Options, when multiplied by the issue price, equals A\$26,250
Resolution 9	Ian Lothian	That number of Shares, when multiplied by the issue price, equals A\$11,250	That number of Options, when multiplied by the issue price, equals A\$11,250

The purpose of the proposed issue of the Incentive Securities is to provide a retention incentive to the Related Parties in light of the Fee reductions described above.

The Company will issue Incentive Securities under the Plan on a quarterly basis, being 1 January, 1 April, 1 July and 1 October 2021 (each being a **Quarter**). The Incentive Securities will be issued in satisfaction of the Fees owing by the Company at the time of issue of the Incentive Securities.

The Incentive Securities will be issued for nil cash consideration as they will be issued in satisfaction of Fees owing by the Company to the Related Parties. The Incentive Securities will be deemed to have an issue price as determined by the Board at the time of issue of the Incentive Securities but such deemed issue price will be no less than the volume weighted average sale price of the relevant Security sold on ASX during the 30 days prior to the expiration of the relevant Quarter (**VWAP**).

In the event that a VWAP cannot be calculated for an Incentive Option that Incentive Option will have a deemed issue price equal to of the greater of:

- (a) A\$0.01; and
- (b) the amount equal to the following formula:

$$IP = CP - EP$$

Where:

IP = the deemed issue price of the Incentive Option;

CP = the closing price of the Company's Shares on the trading day prior to the end of the Quarter; and

EP = The exercise price of the Incentive Option.

6.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Incentive Securities to the Related Parties (or their respective nominees) constitutes giving a financial benefit and the Related Parties are related parties of the Company by virtue of being Directors.

The issue of the Incentive Securities to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

As the Incentive Securities are proposed to be issued to three of the five Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to

the issue of the Incentive Securities. Accordingly, Shareholder approval for the issue of Incentive Securities to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

6.3 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Incentive Securities to the Related Parties falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 7 to 9 seek the required Shareholder approval for the issue of the Incentive Securities under and for the purposes of Chapter 2E of the Corporations Act Listing Rule 10.14.

6.4 Technical information required by Listing Rule 14.1A

If Resolutions 7 to 9 are passed, the Company will be able to proceed with the issue of the Incentive Securities to the Related Parties under the Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Incentive Securities (because approval is being obtained under Listing Rule 10.14), the issue of the Incentive Securities will not use up any of the Company's 15% annual placement capacity.

If Resolutions 7 to 9 are not passed, the Company will not be able to proceed with the issue of the Incentive Securities to the Related Parties under the Plan and the Fees will be paid in cash.

6.5 Technical information required by Listing Rule 10.15 and section 219 of the Corporations Act

Pursuant to and in accordance with the requirements of Listing Rule 10.15 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 7 to 9:

- (a) the Incentive Securities will be issued to:
 - (i) Mr Russell Yardley (or his nominee);
 - (ii) Mr Geoff Gander (or his nominee); and
 - (iii) Mr Ian Lothian (or his nominee),each of which fall within the category set out in Listing Rule 10.14.1 by virtue of being a Director;
- (b) the maximum number of Incentive Securities to be issued to;

- (i) Mr Yardley (or his nominee) is:
 - (A) that number of Shares which, when multiplied by the issue price, equals A\$26,250; and
 - (B) that number of Options which, when multiplied by the issue price, equals A\$26,250;
- (ii) Mr Gander (or his nominee) is:
 - (A) that number of Shares which, when multiplied by the issue price, equals A\$26,250; and
 - (B) that number of Options which, when multiplied by the issue price, equals A\$26,250; and
- (iii) Mr Lothian (or his nominee) is:
 - (A) that number of Shares which, when multiplied by the issue price, equals A\$11,250; and
 - (B) that number of Options which, when multiplied by the issue price, equals A\$11,250;
- (c) as this is the first time that the Shareholder approval is being sought for the adoption of the Plan, no Securities have been previously issued under the Plan;
- (d) the Shares being issued under the Plan will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) a summary of the material terms and conditions of the Options being issued under the Plan are set out in Schedule 1;
- (f) The Company has chosen to issue Incentive Options to the Related Parties for the following reasons:
 - (i) the issue of Incentive Options to the Related Parties will further align the interests of Related Parties with those of Shareholders;
 - (ii) the issue of the Incentive Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Related Parties;
 - (iii) because of the deferred taxation benefit which is available to Related Parties in respect of an issue of the Incentive Options. This is also beneficial to the Company as it means Related Parties is not required to immediately sell the Incentive Options to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and
 - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options on the terms proposed;

- (g) the number of Incentive Options to be issued to each of the Related Parties has been determined based upon a consideration of:
- (i) the remuneration of the Related Parties; and
 - (ii) incentives to attract and ensure continuity of service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options upon the terms proposed;

- (h) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Mr Russell Yardley	NZ\$80,000	NZ\$91,829
Mr Geoff Gander	NZ\$80,000	NZ\$76,000
Mr Ian Lothian	NZ\$80,000	NZ\$75,000

- (i) the Company notes that the class of Options that are being issued under the Plan are quoted on the ASX but, at the date of this Notice, are yet to have a market value. As such, the Company values the Incentive Options at A\$0.0332 per Incentive Option based on the Black & Scholes methodology (refer to Schedule 3 for further details);
- (j) the Incentive Securities will be issued to Related Parties (or their nominee) no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Incentive Securities will be issued on one date;
- (k) the issue price of the Incentive Securities will be nil, as such no funds will be raised from the issue of the Incentive Securities (other than in respect of funds received on exercise of the Incentive Options);
- (l) The purpose of the proposed issue of the Incentive Securities is to provide a retention incentive to the Related Parties in light of the Fee reductions described in Section 6.1;
- (m) a summary of the material terms and conditions of the Plan is set out in Schedule 2;
- (n) no loan is being made to the Related Parties in connection with the acquisition of the Incentive Securities;
- (o) details of any Incentive Securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14; and
- (p) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Incentive Securities under the Plan after Resolution 6 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14;

- (q) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares ¹	Options ²
Mr Russell Yardley	2,618,538	2,000,000
Mr Geoff Gander	2,000,000	2,000,000
Mr Ian Lothian	Nil	Nil

Notes:

1. Fully paid ordinary shares in the capital of the Company (ASX: PVL).
2. Quoted Options exercisable at A\$0.07 each on or before 31 December 2023 (ASX: PVLO).

- (r) The potential dilutionary effects of the issue of the Incentive Securities are set out in Section 6.6 below;
- (s) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	A\$0.065	13 – 15 October 2020
Lowest	A\$0.045	17 August 2020
Last	A\$0.065	15 October 2020

- (t) each Related Party has a material personal interest in the outcome of Resolutions 7 to 9 on the basis that all of the Directors (or their nominees) are to be issued Incentive Securities should Resolutions 7 to 9 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 7 to 9 of this Notice; and
- (u) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 7 to 9.

6.6 Dilution

Set out below is a worked example of the:

- (a) aggregate number of Incentive Shares that may be issued under Resolutions 7 to 9; and
- (b) the number of Shares to be issued on exercise of the Incentive Options,

based on an assumed deemed issue prices of:

- (a) A\$0.065, A\$0.0325 and A\$0.0975 per Incentive Share, being the closing price of Shares on 15 October 2020 (**Closing Price**), and 50% increase and 50% decrease to the Closing Price; and
- (b) A\$0.01 (being the minimum deemed issue price per Incentive Option should a VWAP not be able to be calculated).

Deemed issue price of Incentive Shares	Maximum number of Incentive Shares which may be issued ¹	Maximum number of Shares which may be issued on exercise of Incentive Options ^{1,2}	Shares on issue as at the date of this Notice ³	Shares on issue following the issue/exercise of the Incentive Securities ⁹⁶	Dilution effect on existing Shareholders
A\$0.0325	1,961,538	6,375,000	62,006,159	70,342,697	13.4%
A\$0.065	980,769	6,375,000	62,006,159	69,361,928	11.9%
A\$0.0975	653,846	6,375,000	62,006,159	69,035,005	11.3%

Notes:

1. Rounded to the nearest whole number.
2. Based on the Incentive Options being issued for a deemed issue price of \$0.01.
3. There are currently 62,006,159 Shares on issue as at the date of this Notice and this table assumes no Options are exercised (other than the Incentive Options), no convertible securities converted or additional Shares issued, other than the maximum number of Shares which may be issued pursuant to Resolutions 7 to 9 (based on the assumed issue prices set out in the table).
4. The Company notes that the above workings are an example only and the actual deemed issue price may differ. This will result in the maximum number of Incentive Securities to be issued and the dilution percentage to also differ.

7. RESOLUTION 10 – APPROVAL OF 7.1A MANDATE

7.1 General

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 securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

Resolution 10 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 10 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 10 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

7.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 10:

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

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

(b) Minimum Price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 7.2(b)(i), the date on which the Equity Securities are issued.

(c) Use of funds raised under the 7.1A Mandate

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for working capital and/or further investments in new or existing portfolio companies.

(d) Risk of Economic and Voting Dilution

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 10 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 15 October 2020.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic

dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

		Dilution			
Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Issue Price		
			\$0.0325	\$0.0650	\$0.0975
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	62,006,159	6,200,615	\$201,519	\$403,039	\$604,559
50% increase	93,009,239	9,300,923	\$302,279	\$604,559	\$906,839
100% increase	124,012,318	12,401,231	\$403,040	\$806,080	\$1,209,120

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 62,006,159 Shares on issue comprising:
2. The issue price set out above is the closing market price of the Shares on the ASX on 15 October 2020.
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. 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%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) Allocation policy under the 7.1A Mandate

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of

Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
 - (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
 - (v) prevailing market conditions; and
 - (vi) advice from corporate, financial and broking advisers (if applicable).
- (f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 25 November 2019 (**Previous Approval**).

During the 12 month period preceding the date of the Meeting, being on and from 23 November 2019, the Company has not issued any Equity Securities pursuant to the Previous Approval.

7.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

GLOSSARY

\$ or A\$ means Australian dollars.

AEDT means Australia Eastern Daylight Savings Time as observed in Sydney, New South Wales.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Broker Options has the meaning given in Section 4.1.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Powerhouse Ventures Limited (ARBN 612 076 169).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Entitlement means the Shares and Options to be issued under the Offer.

Explanatory Statement means the explanatory statement accompanying the Notice.

Fee has the meaning given in Section 6.1.

Incentive Option means an Option issued under the Plan with the terms and conditions set out in Schedule 1.

Incentive Security means an Incentive Share or an Incentive Option.

Incentive Share means a Share issued under the Plan.

General Meeting or **Meeting** means the meeting convened by the Notice.

Listing Rules means the Listing Rules of ASX.

NZ\$ means New Zealand Dollars.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

PAC Partners means PAC Partners Securities Pty Ltd (ACN 623 653 912).

Plan means the incentive securities plan the subject of Resolution 6 as summarised in Schedule 2.

Proxy Form means the proxy form accompanying the Notice.

Related Parties has the meaning given in Section 6.1.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Securities means a Share or an Option.

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

Shareholder means a registered holder of a Share.

SCHEDULE 1 –OPTIONS TERMS

1. Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

2. Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.07 (**Exercise Price**).

3. Expiry Date

Each Option will expire at 5:00pm (AEDT) on 31 December 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. Exercise Period

The Options are exercisable at any time and from time to time on or prior to the Expiry Date (**Exercise Period**).

5. Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate or as otherwise agreed with the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

6. Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

7. Timing of issue of Shares on exercise

Within 5 Business Days after the Exercise Date, the Company will:

- (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (b) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of

the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

8. Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued Shares of the Company.

9. Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of the holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

10. Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

11. Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

12. Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 2 – KEY TERMS AND CONDITIONS OF SECURITIES FOR FEES PLAN

A summary of the terms and conditions of the Securities for Fees Plan (**Plan**) is set out below:

1. Participants in the Directors' Share Plan

The Board may offer Securities to:

- (a) a Director (whether executive or non-executive) of the Company;
- (b) a full or part time employee of the Company;
- (c) a casual employee or contractor of the Company to the extent permitted by the ASIC Class Order 14/1000 (**Class Order**); or
- (d) a prospective participant, being a person to whom the offer of Securities under the Plan (**Offer**) is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an eligible participant under (a), (b) or (c) above,

(each an **Eligible Participant**).

Subject to Shareholder approval, the Board may make an Offer to Eligible Participants in lieu of Directors' fees owing by the Company to the Eligible Participant and upon such additional terms and conditions as the Board determines (including, without limitation, that an Eligible Participant continues to be a Director of the Company at the relevant time).

2. Consideration

An Eligible Participant will not be required to make any payment in return for the Securities as they will be issued in satisfaction of Directors' fees owing by the Company at the time of issue of the Securities, calculated on a quarterly basis.

3. Limitation of Offers

The Company must have reasonable grounds to believe, when making an Offer, that the number of Shares offered under an Offer or Shares to be received on exercise of Options offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

4. Cleansing of Shares

The Company will issue, where required to enable Shares issued under the Plan or on exercise of Options that were offered under the Plan to be freely tradeable on the ASX, a cleansing statement under section 708A(5) of the Corporations Act at the time Shares are issued. Where a cleansing statement is required, but cannot be issued, the Company will lodge a prospectus in relation to the Shares with ASIC which complies with the requirements of the Corporations Act and allows the Shares to be freely tradeable on the ASX.

5. Terms of the Securities

- (a) Shares issued under the Plan will rank equally in all respects with the then issued class of fully paid ordinary shares of the Company.
- (b) The Options issued under the Plan are exercisable at \$0.07 on or before 31 December 2023. The other terms and conditions of the Options are set out in section 6.2 of the Company's prospectus dated 17 July 2020.

6. Issue of Securities

The Company will issue Securities under the Plan on a quarterly basis, being 1 January, 1 April, 1 July and 1 October (**Quarter**).

The issue of Securities under the Plan will be deemed to satisfy the relevant fees or salary owing by the Company to the Eligible Participant.

Securities issued to an Eligible Participant under the Plan will have no restrictions on their transfer.

7. Deemed issue price of Securities

The Securities issued pursuant to the Plan will be issued for nil cash consideration as they will be issued in satisfaction of Fees owing by a Group Company to the Participant. The Securities will be deemed to have an issue price as determined by the Board at the time of issue of the Securities but such deemed issue price will be no less than the volume weighted average sale price of the relevant Security sold on ASX during the 30 days prior to the expiration of the relevant Quarter (**VWAP**).

In the event that a VWAP cannot be calculated for Options being offered under the Plan, the Options will have a deemed issue price equal to of the greater of:

- (a) \$0.01; and
- (b) the amount equal to the following formula:

$$IP = CP - EP$$

Where:

IP = the deemed issue price of the Option;

CP = the closing price of the Company's Shares on the trading day prior to the end of the Quarter; and

EP = The exercise price of the Option.

8. Shareholder Approval

The Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Securities under the 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.

9. Amendments

Subject to the Listing Rules, the Board may at any time by resolution amend all or any of the provisions of the Plan, or the terms or conditions of any Securities issued under the Plan, provided that as soon as reasonably practicable after

making any amendment, the Board gives notice in writing of that amendment to any Eligible Participant affected by the amendment.

10. Non-residents of Australia

The Board may adopt additional rules of the Plan applicable in any jurisdiction outside Australia under which rights offered under the Plan may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Eligible Participant or to the Company in relation to the rights.

Any additional rule must conform to the basic principles of the Plan.

SCHEDULE 3 – VALUATION OF OPTIONS

The Options to be issued to the Related Parties pursuant to Resolutions 7 to 9 have been independently valued.

Using the Black & Scholes option model and based on the assumptions set out below, the Options were ascribed the following value:

Assumptions:	
Valuation date	15 October 2020
Market price of Shares	6.5 cents
Exercise price	7 cents
Expiry date	31 December 2023
Risk free interest rate	0.1501%
Volatility (discount)	80%
Indicative value per Related Party Option	3.32 cents

Note: The valuation noted above is not necessarily the market price that the Options could be traded at and is not automatically the market price for taxation purposes.

Powerhouse Ventures Limited

ARBN 612 076 169

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact

PVL

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



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **Noon (AEDT) on Saturday 28 November 2020**

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.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

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



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

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.

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

☐

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.



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I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Powerhouse Ventures Limited hereby appoint

☐ the Chair of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chair 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 Chair 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 Powerhouse Ventures Limited to be held using virtual technology on Monday 30 November 2020 at Noon (AEDT) and at any adjournment or postponement of that meeting.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 6, 7, 8 and 9 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 6, 7, 8 and 9 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chair.

Important Note: If the Chair of the Meeting is (or becomes) your proxy you can direct the Chair to vote for or against or abstain from voting on Resolutions 1, 6, 7, 8 and 9 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			For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	☐	☐	☐	Resolution 8	Issue of Incentive Securities in lieu of fees to Mr Geoff Gander	☐	☐	☐
Resolution 2	Re-election of Director - Mr Russell Yardley	☐	☐	☐	Resolution 9	Issue of Incentive Securities in lieu of fees to Mr Ian Lothian	☐	☐	☐
Resolution 3	Re-election of Director - Mr Geoff Gander	☐	☐	☐	Resolution 10	Approval of 7.1A Mandate	☐	☐	☐
Resolution 4	Re-election of Director - Mr Ian Lothian	☐	☐	☐					
Resolution 5	Ratification of prior issue of Options	☐	☐	☐					
Resolution 6	Adoption of Securities for Fees Plan	☐	☐	☐					
Resolution 7	Issue of Incentive Securities in lieu of fees to Mr Russell Yardley	☐	☐	☐					

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chair 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

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

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

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Computershare



27 October 2020

Dear Shareholders,

IMPACT OF COVID-19 RESTRICTIONS ON THE COMPANY'S ANNUAL GENERAL MEETING

Powerhouse Ventures Limited (ASX:PVL) (**Company**) wishes to advise Shareholders that it is convening an annual general meeting of Shareholders to be held using virtual technology on Monday, 30 November 2020 at noon (AEDT) (**Meeting**).

In light of the evolving COVID-19 pandemic and restrictions on indoor gatherings in place at the time of the Meeting, the Directors have made a decision that shareholders will not be able to attend the Meeting in person. Accordingly, shareholders will only be able to attend and participate in the Meeting by teleconference. Further, all resolutions will be decided on a poll. The poll will be conducted based on votes submitted by proxy and by Shareholders who have indicated that they intend to vote at the Meeting in accordance with the instructions below.

Accordingly, the Directors **strongly encourage all shareholders to lodge a directed proxy form prior to the Meeting, under which the Chair is appointed as your proxy to ensure the proxy will be in attendance at the Meeting.** If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting.

If it becomes necessary or appropriate to make alternative arrangements to those set out in the Company's Notice of Meeting, the Company will notify Shareholders accordingly via the Company's website at www.powerhouse-ventures.co.nz and the ASX Company's Announcement Platform at asx.com.au (ASX: PVL).

Shareholders will be able to participate in the Meeting by:

- (a) voting their Shares prior to the Meeting by lodging the proxy form attached to the Notice by no later than noon (AEDT) on Saturday, 28 November 2020;
- (b) lodging questions in advance of the Meeting through emailing the questions to gandergeoff@gmail.com by no later than 5:00pm (AEDT) Monday, 23 November 2020; and/or
- (c) attending the Meeting online via a Zoom teleconference. If you wish to attend the Meeting via the Zoom teleconference, register your interest as soon as possible, and no later than 5:00pm (AEDT) on Monday, 23 November 2020, to secretarial@powerhouse-ventures.co.nz. You will receive an email on Thursday, 26 November 2020 with further details of how to access the Zoom teleconference.

Shareholders attending the Meeting via Zoom may lodge their votes online during the Meeting:

- (a) from their computer, by entering the URL into their browser: <https://web.lumiagm.com/307901762>; or
- (b) from their mobile device by either entering the URL in their browser: <https://web.lumiagm.com/307901762> or by using the Lumi AGM app, which is available by downloading the app from the Apple App Store or Google Play Store.

If you choose to vote during the Meeting, you can log in to the Lumi online voting platform as per the above instructions and entering:

- (a) your username, which is your SRN or HIN, which can be located on the first page of your proxy form; and
- (b) your password, which is the postcode registered to your holding if you are an Australian shareholder. Overseas shareholders should refer to the Lumi online meeting user guide for their password details.

You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible. For further instructions on how to vote online please view the online meeting user guide at www.computershare.com.au/onlinevotingguide.

The situation regarding COVID-19 is constantly evolving and the Company is following the health advice of the Australian Government. Shareholders are encouraged to monitor the Company's ASX announcements and website for any further update regarding the Meeting.

The executive directors of the Company will also make themselves available during the following times to answer your questions on the Meeting.

- (a) 9 November 2020: Mr Geoff Gander will be available between 2:00 pm AEDT / 4:00 pm NZDT and 3:00 pm AEDT / 5:00 pm NZDT on +61 (0)417 914 137.
- (b) 10 and 11 November 2020: Mr Russell Yardley will be available between 11:00 am AEDT / 1:00 pm NZDT and noon AEDT / 2:00 pm NZDT on +61 (0)418 586 364.
- (c) 11 November 2020: Mr Ian Lothian will be available between 10:00 am AEDT / noon NZDT and 11:00 am AEDT / 1:00 pm NZDT on +64 (0) 21 083 965 08.

This announcement is authorised for release by the board of Powerhouse Ventures Limited.

Sincerely,

Russell Yardley
Executive Chairman
