



Powerhouse Ventures Ltd. (PVL)

INDEPENDENT DIRECTORS STANDARDS POLICY

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INDEPENDENT

A Director is considered to be independent for the purpose of service on the Board and Board Committees of PVL if the Director satisfies the standards set out below.

The meaning of terms used within these Standards is set out in the “Interpretation” section at the end of the document.

To qualify as being “independent”, a Director must, in the opinion of the Board, be independent of Management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of his/her unfettered and independent judgement.

PVL will identify those Directors the Board considers to be independent and publish this information in its Annual Report and on its website.

At least half of the Board must be Independent Directors.

THE TESTS

In accordance with the NZX listing rules, Executive Officers and **Substantial Product Holder’s** in PVL (*refer Interpretations over page*) or an **Associated Person** of the Substantial Product Holder cannot be determined to be independent.

In judging whether a Director is an “Independent Director”, the Board will have regard to whether or not the Director:

- has had any direct or indirect interest or relationship that could reasonably influence, in a material way, the Director’s decisions in relation PVL. This could include that the Director has been:
 - o employed by an associated or subsidiary Company or been a Director of an associated or subsidiary Company after ceasing such employment;
 - o a principal of a material professional adviser or a material consultant to an associated or subsidiary Company or been an employee materially associated with services provided by such an adviser or consultant;
 - o affiliated with or employed by a present or former Auditor of PVL or an Associated Person; or
 - o part of an interlocking directorate in which an Executive Officer of PVL has served on the compensation committee of another company that concurrently employed the Director;
 - o in receipt of any remuneration from PVL other than Directors’ fees (which may be paid in cash or by the issue of shares in PVL in lieu of cash), and whether or

not the Director participates in any PVL Executive Share Plan or performance-related pay scheme;

- o of service on the Board for a period that in the Board's opinion could interfere with the Director's ability to act in the best interests of PVL;
- o have any other interests and any business or other relationships that could or could be perceived to interfere with the Director's unfettered and independent judgement and ability to act in the best interests of PVL;
- o a material contractor or has another material relationship with any PVL company other than as a Director; or
- o is a material supplier or customer of any PVL company or is an officer or employee of, or otherwise associated with a material supplier or customer.

MATERIALITY

The Board will consider thresholds of materiality in determining the 'independence' of Directors on a case by case basis, having regard to both quantitative and qualitative principles.

The Board will determine the appropriate base to apply (e.g. revenue, equity or expenses), in the context of each situation. In general, the Board will consider an affiliation with a business which accounts for less than 10% of the relevant base to be immaterial for the purposes of determining independence. However, where this threshold is exceeded, the materiality of the circumstance with respect to the independence of the particular Director should be reviewed by the Board.

Overriding the quantitative assessment is the qualitative assessment. Specifically, the Board will consider whether there are any factors or considerations which may mean that the Director's interest, business or relationship could, or could be reasonably perceived to materially interfere with the Director's ability to act in the best interests of the Company.

Directors are required to disclose relationship ties or cross directorships that may be relevant in considering continuing independence.

The Board will conduct a regular review of the independence of each of the Directors, based on information provided to it by the Directors. Directors are expected to volunteer information as and when changes occur.

In addition to these criteria, an independent Director who serves on the Audit and Risk Committee must satisfy the following requirements:

- the Director must not be an Associated Person of any associated or subsidiary Company; and
- the Director must not accept, directly or indirectly, any advisory or other compensatory fee from any associated or subsidiary Company. This includes the acceptance of such fees by a spouse, a minor child or stepchild, or a child or stepchild sharing a home with the Director or by an entity in which the Director is a

partner, member, an officer such as a Managing Director or Executive Officer, or in which the Director occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to an associated or subsidiary Company) and which provides accounting, consulting, legal, investment banking or financial advisory services to an associated or subsidiary Company.

INTERPRETATION

For the purposes of these Standards:

- **“Associated Person”** means a person as defined in Rule 1.8 of the NZX Listing Rules. A person (the “first person”) is associated with another person (the “second person”) if, in making a decision or exercising a power affecting a subsidiary or associated company, the first person could be influenced as a consequence of an arrangement or relationship existing between, or involving, the first person and the second person. A director of a company is an Associated Person of that company;
- **“associated or subsidiary Company”** means PVL or any controlled entity of PVL or entity over which PVL has significant influence.
- **“Substantial Product Holder”** means a person with a substantial holding as defined in section 274 of the Financial Markets Conduct Act 2013:

REVIEW

The Board will review this Policy periodically to ensure it remains up-to-date and relevant.