
Powerhouse Ventures Limited
Notice of Annual General Meeting



Date: Friday 24th November 2017

Time: 2:30pm

Place: Radisson Blu Plaza
27 O'Connell Street
Sydney

Business of the meeting

Powerhouse Ventures Limited (the Company) gives you notice that its Annual General Meeting will be held at the Radisson Blu Plaza, 27 O'Connell Street, Sydney, Friday 24th November 2017 at 2:30pm.

The business of the meeting will be as follows.

By order of the Board



Rachel Triplow
Company Secretary

Item 1 – Financial Statements

To receive and consider the financial statements of the Company for the accounting period ended 30 June 2017, together with the Auditor's report on such financial statements, as contained in the Company's annual report.

Item 2 – Auditor Appointment and Remuneration

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

"To record that Ernst & Young continue in office as the Company's auditors and to authorise the Directors to fix the remuneration of Ernst & Young for the ensuing year."

Item 3 – Election of Directors

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

"That Mr Rick Christie who retires by rotation in accordance with clause 27.1 of the Company's constitution, and, being eligible and offering himself for re-election, be re-elected as a Director of the Company."

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

"That Mr John Hunter who retires by rotation in accordance with clause 27.1 of the Company's constitution, and, being eligible and offering himself for re-election, be re-elected as a Director of the Company."

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

"That Mr Russell Yardley who retires in accordance with clause 26.2 of the Company's constitution, and, being eligible and offering himself for election, be elected as a Director of the Company."

Item 4 – Approval of the Issue of Shares to Directors of the Company

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

"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval be given for the issue of Shares to the Directors, on the terms and conditions set out in the Explanatory Statement."

Item 5 – General

To consider any other matter that may lawfully be considered at the meeting in accordance with the Company's constitution.

Important information

Ordinary Resolution

Items of business 2, 3 and 4 require approval by way of an ordinary resolution of shareholders. An ordinary resolution is a resolution passed by a simple majority (i.e. at least 50% of the votes of shareholders of the Company entitled to vote and voting).

Eligibility to vote

Any shareholder whose name was recorded in the Company's share register at 5:00pm on the day that is 2 working days before the meeting is entitled to attend the meeting and vote on the resolutions either in person or by proxy.

Voting Exclusion Statement

The Company will disregard any votes cast on item of business 4 by:

- members of the Board, namely Russell Yardley, Rick Christie, John Hunter, Dianne McCarthy and John Walley; and
- any other person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of the abovenamed persons.

However, the Company need not disregard a vote cast in favour if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Quorum

A quorum for a meeting of shareholders is 3 or more shareholders having the right to vote being present at the meeting.

Proxies

You may exercise your right to vote at the meeting either by being present in person or by appointing a proxy to attend and vote in your place. A proxy need not be a shareholder of the Company. You may appoint more than one proxy, provided more than one proxy is not appointed to exercise the rights attached to a particular share.

A proxy form is attached to this notice. If you wish to vote by proxy you must complete the form and produce it to the Company at least 48 hours before the time for holding the meeting.

Questions for the Annual Meeting

If you wish to submit written questions to be considered at the Annual General Meeting, please email or post them to Rachel Triplow, Company Secretary by 20 November 2017 as follows:

- Rachel Triplow
Powerhouse Ventures Limited
PO Box 29519
Christchurch 8440

Email: secretarial@powerhouse-ventures.co.nz

Webcast

If you cannot attend the Annual General Meeting in person, a live webcast of the meeting will be provided for shareholders at the Company's Christchurch office:

- Level 7 The Press Building
158 Gloucester Street
Christchurch 8011

Viewers of the live webcast must ensure they lodge a proxy form as set out above if they wish to vote at the AGM.

A copy of the presentations from the meeting will also be made available on the ASX platform and the Company's website prior to commencement of the meeting.

Updating your information

If you have not done so already, we encourage you to update your securityholder information and communication preferences at www.computershare.com.au/easyupdate/PVL in order to receive the Company's future Annual Reports and Notices of Meeting electronically.

Explanatory Notes

The purpose of this Explanatory Notes section is to provide shareholders with further information on the items of business to be considered at the Company's annual general meeting.

Item 1 – Financial statements

This item is intended to provide an opportunity for shareholders to raise questions on the financial statements and auditor's report contained in the Company's annual report. However, there is no requirement to approve the financial statements.

Item 2 – Auditor Appointment and Remuneration

Ernst & Young was appointed the Company's auditor by the Board on 14 May 2015. Pursuant to section 207T of the Companies Act 1993, Ernst & Young is automatically reappointed at the annual meeting as auditor of the Company. The proposed resolution is to authorise the Directors to fix the auditor's remuneration for the following year for the purposes of section 207S of the Companies Act 1993.

Item 3 – Election of Directors

Clause 27.1 of the Company's Constitution requires one-third of the Directors (or, if their number is not a multiple of three, then the number nearest to one-third) to retire from office at the annual meeting each year (with the retiring Directors being those who have been longest in office since they were last elected or deemed elected).

Mr Rick Christie and Mr John Hunter have been determined by the Board to retire by rotation pursuant to this provision and offer themselves for re-election.

Clause 26.2 of the Company's Constitution allows the Board to appoint a person to be a Director to fill a casual vacancy or as an addition to the existing Directors. A Director appointed under this clause may hold office only until the next annual meeting and is then eligible for election, but must not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Mr Russell Yardley was appointed in accordance with this clause and as such must face election at the Annual General Meeting.

The Directors (in each case excluding the retiring Director) recommend supporting the election or re-election of each Director standing for election or re-election. The Directors make this recommendation on the basis of their review of the performance of these Directors, which was carried out in accordance with the Board's governance policies.

Information about the candidates for re-election and election



Russell Yardley

Chairman, Non-Executive Independent Director

Russell 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 ASX listed Tesserent Limited, on the boards of two WPP companies Wunderman and Bientalto, Chairman of the Australian Federal Government funded National eResearch Collaboration Resources and Tools project, 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. 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.

Russell is a member of the Powerhouse Audit & Risk, Human Resources & Remuneration and Portfolio Committees, and the Chair of the Corporate Governance & Nomination Committee.



Rick Christie

Non-Executive Independent Director

Rick is a professional director and chairman with appointments in both the private and public sectors. He has had extensive experience as a senior and chief executive, including with multi-national energy and chemical companies. He has lived and worked in Australia and the UK, with executive responsibilities in the Middle East and Asia. He has also been Managing Director of a large NZX listed industrial conglomerate.

His most recent executive role was as CEO of a diversified New Zealand investment company. He has also had extensive involvement in the export sector. Until recently Rick was Chairman of a top 300 dual ASX and NZX listed health services provider. Rick is also a Chairman of the New Zealand supercomputer network. Rick is past Chairman of New Zealand Crown Research Institute AgResearch Ltd and also the Science Media Centre.

Rick has had a close involvement in science and innovation for much of his career. He was a member of the New Zealand Prime Minister's Enterprise Council and was Chairman of the Technological Innovation Working Group, the Science and Innovation Advisory Council and the New Zealand Growth and Innovation Advisory Board. In 2010 he was made a Companion of the Royal Society of NZ.

Rick is a member of the Powerhouse Audit & Risk Committee and Corporate Governance and Nomination Committee.



John Hunter

Non-Executive Independent Director

John has held various directorship positions over the past 25 years on both private and NZX listed companies, together with board membership on educational and health sector institutions.

John's executive career encompassed extensive chief financial officer level experience as well as chief operating officer and general manager positions in New Zealand and Australia. His expertise includes HR, IT and legal responsibilities. He has extensive experience across the manufacturing, finance, retail, wholesale, information technology and primary sectors.

John has specialised in managing fastgrowing, post-seed companies to sector dominance or national significance, whereafter he has often managed their listing on the NZX.

John is Chairman of the Powerhouse Audit and Risk Committee and a member of the Human Resources and Remuneration Committee.

Item 4 – Approval of the Issue of Shares to Directors of the Company

Overview

This Resolution seeks Shareholder approval to allow the remuneration of Directors to be distributed in the form of Shares in the Company (Remuneration Shares) as follows:

Position	Maximum value of Remuneration Shares
Chair of the PVL Board	NZ\$50,000
Non-Executive Directors	NZ\$25,000 for each Director
Chair of Audit & Risk Committee	NZ\$8,000
Chair of the Portfolio Committee	NZ\$8,000
Chair of Human Resources and Remuneration Committee	NZ\$6,000
Total	Up to a maximum NZ\$250,000

Shareholder approval is required under ASX Listing Rule 10.11 to approve the issue of Shares (being an "equity security"), and hence for the issue of an equity security to a related party.

All Remuneration Shares issued will be based on the volume weighted average price (VWAP) of Shares traded on the ASX over the 30 trading days prior to the date of issue. The Remuneration Shares will be issued quarterly in arrears within 12 months of the date of Shareholder approval.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues or agrees to issue, "equity securities" to a related party unless an exception under ASX Listing Rule 10.12 applies.

It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

ASX Listing Rule 7.1

As approval for the issue of the 'equity security' (being the Remuneration Shares) has been sought under ASX Listing Rule 10.11, approval is not also required under Listing Rule 7.1.

Specific information

Listing Rule 10.13 requires certain information to accompany a Notice of General Meeting in relation to approval sought under Listing Rule 10.11. This information is set out below:

Listing Rule 10.13 requirement

Information

The name of the person:

The equity security in the form of the Remuneration Shares are proposed to be issued to the following persons:

- PVL Chair (currently Russell Yardley);
- PVL Non-Executive Directors (currently Rick Christie, John Walley, Dianne McCarthy and John Hunter);
- Chair of Audit & Risk Committee (currently John Hunter);
- Chair of the Portfolio Committee (currently John Walley); and
- Chair of the Human Resources and Remuneration Committee (currently Dianne McCarthy).

The formula for calculating the number of securities to be issued to the person:

The maximum number of Shares that may be issued to each Director can be calculated as follows:
Maximum value of Remuneration Shares to be issued to the relevant Director
VWAP of Shares calculated over the 30 trading days prior to the Issue Date

The date by which the securities will be issued (Issue Date):

The Remuneration Shares will be issued quarterly in arrears within 12 months after the date of Shareholder approval.

The issue price:

The issue price will be the VWAP of Shares calculated over the 30 trading days prior to the Issue Date.

Terms of the equity securities:

The Shares to be issued to the Directors will be on the same terms as all other fully paid ordinary shares on issue in the Company.

The intended use of funds raised:

Not applicable. Shares are issued in lieu of paying Directors' remuneration.

Voting exclusion statement:

A voting exclusion statement is contained on page 3 of this Notice of Meeting. Votes cast by Shareholders contrary to the voting exclusion statement will be disregarded.

Dilution - worked example

The table below provides a worked example of the dilution that may occur to Shareholders as a result of the issue of Shares to Directors over the next 12 months. It assumes that:

- the maximum amount of NZ\$250,000 worth of Shares are issued at an exchange rate of AU\$1.00: NZ\$1.10;
- the Company has 28,986,363 Shares on issue; and
- all Shares are issued at the hypothetical share price stated.

Hypothetical share price	Number of shares issued to Directors	Percentage dilution
AU\$0.20	1,136,367	3.8%
AU\$0.33	688,703	2.3%
AU\$0.50	454,544	1.5%

ASX Waiver

ASX has granted the Company a waiver from listing rules 10.13.3 and 10.13.5, subject to the following conditions:

- a. The notice of meeting states that the Remuneration Shares will be issued within 12 months after shareholder approval is obtained.
- b. The notice of meeting states that the number of Remuneration Shares will be calculated based on the VWAP of the underlying shares for the 30 trading days prior to the issue date.
- c. The notice of meeting includes a worked example of the dilution that will occur to existing shareholders of the Company as a result of the issue of Remuneration Shares, at three different prices.
- d. The notice of meeting contains the full terms and conditions of the Remuneration Shares.
- e. The Company's annual report for any period during which the shares are issued to the Directors (or their nominees), discloses details of the number of Remuneration Shares that were issued to them, including the percentage of the Company's issued capital represented by those Remuneration Shares.
- f. The notice of meeting contains the terms of the ASX waiver.

Notes
