

# **Powerhouse Ventures Limited (PVL)**

## **SHARE TRADING POLICY**

## 1. Definitions

General terms and abbreviations used in this Policy have the meanings set out below:

ASX	means ASX Limited ACN 008 624 691 or the securities market operated by ASX Limited, as the case may be.
ASX Listing Rules	means the listing rules of the ASX, as amended from time to time.
Audit & Risk Committee	means the Audit & Risk Committee established by the Board.
Board	means the Board of Directors of PVL.
Chair	means the Chair of the Board.
Closed Period	has the meaning given to that term in paragraph 6.2.
Companies Act	means the Companies Act 1993 - New Zealand
Company Secretary	means the Company Secretary of PVL.
Corporations Act	means the Corporations Act 2001 (Cth). – Australia
Corporations Regulations	means the Corporations Regulations 2001 (Cth). - Australia
Director	means a Director of PVL.
FMCA	means the Financial Markets Conduct Act 2013 - New Zealand
Key Management Personnel	has the meaning given to that term in paragraph 2.1.
Managing Director	means the Managing Director, or equivalent Chief Executive Officer, of PVL.
Policy	means this "Share Trading Policy".
Restricted Persons	has the meaning given to that term in paragraph 2.1.

## 2. Introduction

### 2.1 Background and purpose

PVL is committed to complying with the Companies Act (NZ), the Financial Markets Conduct Act (NZ), the Corporations Act (Australia – where applicable) and the ASX Listing Rules to create a transparent market in the trading of its securities on the ASX.

ASX Listing Rule 12.9 requires PVL, as a listed entity, to have a trading policy that restricts its key management personnel from trading in its securities during certain closed periods. PVL has determined that its key management personnel are its Directors, Managing Director and Company Secretary and any employee (whether full-time, part-time or casual) having authority and responsibility for planning, directing and controlling, directly or indirectly, the activities of PVL (**Key Management Personnel**).

Directors and employees are encouraged to hold shares in PVL. It is important, however, that care is taken in the timing of any dealing in PVL's securities to avoid “insider trading”.

The purpose of this Policy is to ensure that:

- Key Management Personnel and all other employees of PVL; and
- Key Management Personnel and all other employees of each of PVL's related bodies corporate (**Restricted Persons**)

are aware of the legal restrictions on trading securities, while such a Restricted Person is in possession of unpublished price sensitive information concerning PVL. If a Restricted Person is uncertain of the status of unpublished information, he or she should discuss it with the Chair and Company Secretary before engaging in any trade in PVL's securities.

Additionally, the objectives of this Policy are to:

- minimise the risk of Restricted Persons contravening the laws against insider trading;
- minimise the risk of the appearance of insider trading and the significant reputational damage that may cause;
- ensure PVL is able to meet its reporting obligations under the ASX Listing Rules; and
- increase transparency with respect to trading in PVL's securities by Restricted Persons.

To achieve these objectives, Restricted Persons should consider this Policy to be binding on them in the absence of a specific exemption by the Board.

## 2.2 Who does this Policy apply to?

This Policy applies to all Restricted Persons.

It is important to remember that although this Policy only applies to Restricted Persons, the insider trading prohibitions (where applicable) as set out in the Companies Act (NZ), the Financial Markets Conduct Act (NZ) and the Corporations Act (AU) apply to **all** persons (including family members of Restricted Persons).

If you are in any doubt as to how this Policy may affect you, you should seek assistance from the Company Secretary before trading.

## 3. **What securities are covered by this Policy?**

This Policy applies to both the issue of new securities of PVL and its related bodies corporate and the sale and purchase of any securities issued in PVL and its related bodies corporate from time to time.

The definition of “securities” in the Corporations Act is broad. Securities are defined to include:

- debentures, stocks or bonds issued, or proposed to be issued, by a government;
- shares in, or debentures of, a body; and
- units of such shares.

For the purposes of this Policy, the term “**securities**” also extends to financial products issued or created over or in respect of securities issued by PVL (for example, warrants and other derivative products), whether the financial products are created by PVL or by third parties.

## 4. **Standards**

All Restricted Persons should ensure that all transactions in PVL's securities comply with:

- the Companies Act, FMCA, the Corporations Act and Corporations Regulations (including, without limitation, the insider trading provisions) where applicable; and
- the ASX Listing Rules (including, without limitation, the continuous disclosure requirements in ASX Listing Rule 3.1 and the disclosure of Director's interests in accordance with ASX Listing Rule 3.19A).

## 5. **Prohibition on insider trading**

### 5.1 Insider trading prohibition

PVL's shares are listed on the ASX. The FMCA, Companies Act and the Corporations Act makes it an offence for a person in possession of information that is not generally available but which, if generally available, a reasonable person would expect it to have a material effect on the price or value of PVL's securities to:

- trade in (i.e. apply for, acquire or dispose of, or enter into an agreement to do any of these things) PVL's securities; or
- procure another person to trade in PVL's securities, (each a 'dealing in PVL's securities').

The insider trading prohibitions in the FMCA and the Corporations Act) are **MANDATORY** and not a matter of guidance.

It does not matter how the person comes to have the inside information – for example, whether the person learns it in the course of carrying out that person's responsibilities, in passing in the corridor, in the lift or at a social occasion.

It is an offence to communicate the information to another person with the knowledge that the person could deal in PVL's securities. Accordingly, the prohibition on insider trading cannot be avoided by a person procuring or arranging for another person to deal on his or her behalf.

## 5.2 What is “price sensitive information”

Price-sensitive information means information relating to PVL or PVL's subsidiaries that would, if the information were publicly known, be likely to:

- have a material effect on the price or value of PVL's securities; or
- influence persons who commonly invest in securities in deciding whether or not to buy or sell PVL's securities.

## 5.3 Examples of "price-sensitive information"

Examples of possible price-sensitive information include, but are not limited to, the following:

- (a) a material acquisition, joint venture, realisation or disposal of assets;
- (b) a threat of material litigation against PVL;
- (c) PVL's sales and profit results materially exceeding or falling short of the market's expectations or the previously announced guidance by PVL;
- (d) a material change in debt, liquidity or cash flow;
- (e) a significant new development proposal (ie, a new product or technology);
- (f) the granting or loss of a major contract;
- (g) a management or business restructuring proposal;
- (h) a change in the capital structure, such as a capital return or the buy back of a financial product;
- (i) a payment of dividends or a share issue;
- (j) a change to the Board or significant changes in senior management;
- (k) the entering into of an agreement or option to acquire an interest in an asset or business, or to enter into a joint venture or other arrangement in relation to an asset or business; and
- (l) any information required to be announced to the market pursuant to ASX Listing Rule 3.1 (the **Continuous Disclosure Rule**) which is yet to be released to the market.

#### 5.4 When is the information “generally available”?

Information is generally available if:

- it consists of a readily observable matter;
- it has been made known in a manner likely to bring the information to the attention of people who commonly invest in securities of a kind whose price or value might be affected by the information, and, since it was made known, a reasonable period for it to be disseminated among such persons has elapsed;
- it is derived from information which has been made public; or
- it consists of observations, deductions, conclusions or inferences made or drawn from other generally available information.

#### 5.5 Dealing through third parties

The insider trading prohibition extends to dealings by individuals through nominees, agents or other associates, such as family members, family trusts and family companies.

#### 5.6 Consequences for breach of the insider trading prohibition

Breach of the insider trading prohibition by a Restricted Person or a Restricted Person's family member could expose the Restricted Person to criminal and civil liability including fines and imprisonment.

Significantly, a breach of the insider trading prohibition could result in a Restricted Person or a Restricted Person's family member being sued by another party or PVL for any loss suffered as a result of insider trading.

Breach of insider trading laws or this Policy will also be regarded by PVL as serious misconduct which may lead to disciplinary action and/or dismissal.

#### 5.7 Source of information is irrelevant

Trading is prohibited at any time if the person possesses inside information.

It does not matter how or where the person obtains the information and it does not have to be obtained from PVL to constitute inside information. In such circumstances, the Restricted Person is prohibited from dealing in PVL's securities.

#### 5.8 Employee incentive scheme

The prohibition on trading in PVL's securities does not apply to acquisitions of shares or options by employees of PVL made under an employee share or option scheme or performance rights plan, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme.

The prohibition does, however, apply to the sale of shares acquired under an employee share scheme or performance rights plan and also to the sale of shares acquired following the exercise of an option or performance right granted under an employee option scheme or performance rights plan.

## 5.9 Dealing in shares of other companies

If a Restricted Person has “price sensitive information” relating to a company other than PVL which is not “generally available”, the same insider trading rules outlined above apply to buying and selling securities in that company.

In the course of performing duties as an employee of PVL, Restricted Persons may obtain price sensitive information relating to another company in a variety of circumstances. Examples include, but are not limited to the following:

- another company may provide price sensitive information about itself to PVL in the course of a proposed transaction;
- another company with whom PVL is dealing may provide price sensitive information about a third company; or
- information concerning PVL or actions which may be taken by PVL (i.e. a planned transaction or strategic change) could reasonably have an effect on a third party company.

Apart from the application of the insider trading rules to securities in other companies, Restricted Persons are also bound by a duty of confidentiality in relation to information in respect of third parties obtained in the course of their employment with PVL.

## 6. **Guidelines for trading in securities**

### 6.1 General rule

There are certain periods during the year when Restricted Persons should not deal in PVL's securities given the heightened risk of actual or perceived insider trading. These periods are set out in paragraph 6.2 and called **Closed Periods**.

Restricted Persons are prohibited from dealing in PVL's securities:

- when in possession of price sensitive information relating to PVL which is generally not available; and
- during a Closed Period.

The Closed Period trading prohibition does not limit any other obligations of Restricted Persons prescribed by this Policy.

## 6.2 Closed Periods

The following are designated **Closed Periods**:

- during the period commencing one month prior to the release of PVL's full year financial results or annual report and ending one trading day after the release of those results or reports to the ASX; and
- during the period commencing two weeks prior to the release of half yearly results announcements and ending one trading day after the release of those results to the ASX.

## 6.3 Other restricted periods

### 6.3.1 *Key Management Personnel*

PVL reserves the right to impose ad hoc restrictions on its Key Management Personnel from trading in its securities in addition to the fixed Closed Periods set out in paragraph 6.2.

In determining when ad hoc restrictions should be imposed on its Key Management Personnel, PVL may have regard to any imminent announcements of market sensitive information it is proposing to make under ASX Listing Rule 3.1.

### 6.3.2 *Other individuals*

In addition to the Key Management Personnel, PVL may also impose ad hoc trading restrictions on:

- staff who work closely with, or in close proximity to, Key Management Personnel;
- staff who work in the finance area or in a strategic planning group;
- the next layer of management below Key Management Personnel;
- staff (such as IT staff) who may have access to email or document folders belonging to Key Management Personnel; and
- family members and entities closely connected to Key Management Personnel.

## 6.4 Further restrictions on trading to Restricted Persons

PVL has determined that members of Restricted Persons are more likely to be in possession of price sensitive information regarding PVL. As a result, further restrictions on dealing in PVL's securities apply to Restricted Persons.

Prior to dealing in PVL's securities, members of Restricted Persons must first notify the Chair of the proposed type of dealing and the number of securities to be traded and seek the Chair's written consent to the proposed dealing in PVL's securities.



## 6.5 Trading in derivatives

Restricted Persons must not trade in any derivative products issued by PVL.

Derivative products issued by PVL over its securities include warrants, options and contracts for difference.

## 6.6 Short term trading

Despite anything to the contrary in this Policy, Restricted Persons must not engage in short term trading of any of PVL's securities. An example of this would be to purchase PVL's shares with an intention to sell them within a 12 month period.

## 6.7 Short selling

Restricted Persons must not engage in short selling of PVL's securities.

## 6.8 Hedging transactions

Restricted Persons must not enter into an arrangement that would have the effect of limiting their exposure to risk relating to either unvested remuneration, or vested remuneration which remains subject to a holding lock.

## 6.9 Margin lending and other secured financing arrangements

A Restricted Person must seek prior approval from the Board, in writing, in respect of any margin lending or other secured financing arrangements in relation to the company's securities into which the Restricted Person will enter. The Board must have regard to all applicable law, including Part 2D.7 of the Corporations Act (AU), in deciding whether or not to grant its approval.

## 6.10 Exceptions

### 6.10.1 *Categories*

A Restricted Person may trade in PVL's securities during a Closed Period if that trading falls within one of the following categories:

1. an acquisition of ordinary shares in PVL which results from conversion of securities which carry a right of conversion to ordinary shares;
2. an acquisition of PVL's securities under a bonus issue made to all holders of securities of the same class;
3. an acquisition of PVL's securities under a dividend reinvestment or top-up plan that is available to all holders or securities of the same class;

4. a transfer of PVL's securities between a member of Key Management Personnel and someone closely related to the member of Key Management Personnel (such as a spouse, minor child, family company or family trust) or by a member of Key Management Personnel to his or her superannuation fund, in respect of which prior written clearance has been provided in accordance with the procedures set out in this Policy;
5. a disposal of securities arising from the acceptance of a takeover offer, scheme of arrangement or equal access buy-back;
6. a disposal of rights acquired under a pro rata issue;
7. an acquisition of securities under a pro rata issue;
8. an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in PVL's securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
9. where the Restricted Person is a trustee, trading in PVL's securities by that trust provided that the Restricted Person is not a beneficiary of the trust and any decision to trade during a Closed Period is taken by the other trustees or by the investment managers independently of the Restricted Person;
10. an undertaking to accept, or the acceptance of, a takeover offer;
11. trading under an offer or invitation made to all or most of PVL's members, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan or an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements, the take-up by any underwriter under a renounceable or non-renounceable pro rata issue and the sale of entitlements required to provide for the take up of the balance of entitlement under a renounceable pro rata issue;
12. a disposal of PVL's securities that is the result of a secured lender or financier exercising their rights under a margin lending or other secured financing arrangement;
13. an acquisition of securities under an employee incentive scheme;
14. where PVL has an employee incentive scheme with a member of Key Management Personnel as a trustee of the scheme, an acquisition of securities by that Key Management Personnel in his or her capacity as a trustee of the scheme;
15. an exercise (but not the sale of PVL's securities following exercise) of an option or a right granted under a Company employee incentive plan, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Closed Period and PVL has been in an exceptionally long prohibited period or PVL has had a number of consecutive Closed Periods and the Restricted Person could not reasonably have been expected to exercise it at the time when free to do so; or
16. trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy and where:
  - (A) the Restricted Person did not enter into the plan or amend the plan during a Closed Period;

- (B) the plan does not permit the Restricted Person to exercise any influence or discretion over how, when, or whether to trade; and
  - (C) this Policy does not allow a Restricted Person to cancel any such trading plan, or to cancel or otherwise vary the terms of his or her participation in the trading plan during a Closed Period other than in exceptional circumstances; and
17. the obtaining by a Director of a share qualification.

#### *6.10.2 Share or Option Plans*

In respect of any share or option plans adopted by PVL, it should be noted that it is not permissible to provide the exercise price of options by selling the shares acquired on the exercise of the options unless the sale of those shares occurs outside the Closed Period. Were this to occur at a time when the person possessed inside information, the sale of PVL's securities would be a breach of insider trading laws, even though the person's decision to sell was not influenced by the inside information that the person possessed and the person may not have made a profit on the sale.

#### *6.10.3 Security*

Where PVL's securities are provided to a lender as security by way of mortgage or charge, a sale that occurs under that mortgage or charge as a consequence of default would not breach insider trading laws.

#### *6.10.4 General*

Notwithstanding the above, under insider trading laws, a Restricted Person who possesses inside information may be prohibited from trading even where the trading falls within any of the exceptions in paragraph 6.10.1 of this Policy.

#### 6.11 Notification of periods when Restricted Persons can trade

The Company Secretary will endeavour to notify Restricted Persons of the times when they are permitted to buy or sell PVL's securities as set out in paragraph 6.1.

#### 6.12 Trading with permission

A Restricted Person may trade in PVL's securities during a Closed Period if that person obtains written consent to do so in accordance with paragraph 6.13 of this Policy.

#### 6.13 Procedure for obtaining written consent to trade

A Restricted Person who wishes to trade in PVL's securities during a Closed Period (**Applicant**) must obtain the prior written consent (which may be provided by way of an email) of:

- the Chair; or
  - where the Chair is the Applicant, the Chair of the Audit and Risk Committee,
- (collectively, the **Decision Maker(s)**).

As part of such application, an Applicant must give the Decision Maker(s) a written undertaking that the Applicant complies with paragraph 6.3 of this Policy.

During a Closed Period and other restricted periods referred to in paragraph 6.3, the Decision Maker(s) may only provide written permission to trade in PVL's securities where:

- the Restricted Person is in severe financial hardship (or where other exceptional circumstances exist); and
- the Decision Maker(s) is satisfied that there is no inside information which has not been disclosed to the ASX.

A Restricted Person may be in severe financial hardship if he or she has a pressing financial commitment that can not be satisfied other than by selling some or all of his or her securities in PVL.

In the interests of an expedient and informed determination by the Decision Maker(s), any application for an exemption allowing the sale of PVL's securities during a Closed Period based on financial hardship must be made in writing and be accompanied by copies of relevant supporting documentation, including contact details of the person's accountant, bank and other such independent institutions. Any exemption, if issued, will be in writing and will contain a specified time period during which the sale of securities can be made.

Exceptional circumstances may apply to the disposal of PVL's securities by a Restricted Person if the person is required by a court order, a court enforceable undertaking (for example in a bona fide family settlement, to transfer or sell securities of PVL) or there is some other overriding legal or regulatory requirement to do so. Any application for an exemption allowing the sale of PVL's securities during a Closed Period based on exceptional circumstances must be made in writing and be accompanied by relevant court and/or supporting legal documentation. Any exemption, if issued, will be in writing and will contain a specified time period during which the sale of securities can be made.

During a Closed Period and other restricted periods referred to in paragraph 6.3, an Applicant seeking clearance to trade must satisfy the Decision Maker(s) that he or she is in severe financial hardship or that their circumstances are otherwise exceptional and that the proposed sale or disposal of the relevant Company securities is the only reasonable course of action available.

Determination as to whether the Applicant is in severe financial hardship or whether a particular set of circumstances exist may only be made by the Decision Maker(s).

Any permission provided under this paragraph 6.13 must be obtained by the Applicant not less than two trading days before the proposed trading. Copies of written approvals must be forwarded to the Secretary prior to the approved purchase or sale transaction.

A clearance to trade can be given or refused by PVL in its absolute discretion. PVL's decision to refuse clearance is final and binding on the person seeking clearance. A clearance to trade can be withdrawn if new information comes to light or there is a change in circumstances. If clearance to trade is refused, the person seeking the clearance must keep the information relating to the refusal (including the refusal itself) confidential and not disclose it to anyone.

#### 6.14 Sales of securities

Restricted Persons need to be mindful of the market perception associated with any sale of PVL's securities and possibly the ability of the market to absorb the volume of shares being sold. With this in mind, the management of the sale of any significant volume of PVL's securities (i.e. a volume that would represent a volume in excess of 10% of the total securities held by the seller prior to the sale, or a volume to be sold that would be in excess of 10% of the average daily traded volume of the shares of PVL on the ASX for the preceding 20 trading days) by a Restricted Person must be discussed with the Board prior to the execution of any sale. These discussions must be documented in the form of a file note, to be retained by the Company Secretary.

### **7. ASX notification by Directors**

Directors are required to notify the Chair and the ASX of any dealing in PVL's securities (either personally or through a third party) which results in a change in the relevant interests of the Director in securities in PVL.

While the Corporations Act requires Directors to notify the ASX of any changes to their holdings within 14 days (or if also a substantial shareholder as early as by 9.30am on the next trading day), PVL is required under the ASX Listing Rules to notify the ASX:

- of the initial holding of each Director upon appointment and such subsequent dealings within five business days of the change; and
- whether the dealing occurred during a Closed Period and if so, whether written clearance was obtained and on what date it was obtained.

To enable PVL to comply with these requirements, each Director must enter into a letter agreement with PVL in a form consistent with the pro forma agreement set out in Attachment 1 to Guidance Note 22 of the ASX Listing Rules. Directors must furnish the relevant information as soon as reasonably possible and in any event no later than three business days after the date of appointment or change, to the Company Secretary who will facilitate the transmission of these notifications to the ASX. Notifications will also be tabled before the Board.

## **8. Employment and monitoring**

To promote understanding of the insider trading prohibition and related FMCA and Corporations Act provisions and this Policy, a copy of this Policy will be distributed to all Restricted Persons (present and future) and will be available on PVL's website.

The induction procedures for new Restricted Persons must require that a copy of this document be provided to each new Restricted Person.

## **9. Compliance**

Compliance with the rules set out in this Policy is mandatory and is a condition of the employment of each Restricted Person by PVL. Infringement of the insider trading provisions can attract a substantial monetary penalty, imprisonment or both in addition to loss of employment or other disciplinary action.

Any Restricted Person who does not comply with this Policy will be considered to have engaged in serious misconduct which may result in the termination of their engagement by PVL.

Ultimate discretion rests with the Chair in respect of granting a waiver to the requirements of this Policy to allow Restricted Persons to trade in the shares of PVL, provided that to do so would not be illegal.

A waiver can be given or refused by the Chair in his or her absolute discretion. The Chair's decision to refuse a waiver is final and binding on the person seeking the waiver.

## **10. Review**

The Board will review this Policy periodically and this Policy may be amended by resolution of the Board.

## **11. Policy responsibility**

Each Restricted Person is responsible for adhering to this Policy. The Company Secretary has responsibility for enforcing this Policy.

## **12. Disclosure of Policy**

This Policy will be made available, and updated as required, on PVL's website ([www.powerhouse-ventures.co.nz](http://www.powerhouse-ventures.co.nz)) in a clearly marked "Corporate Governance" section.