

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

POWERHOUSE VENTURES LIMITED

ABN / ARBN:

ARBN 612 076 169

Financial year ended:

30 JUNE 2019

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- These pages of our annual report:
- This URL on our website: [www.powerhouse-ventures.co.nz/investor-relations/corporate-governance](http://www.powerhouse-ventures.co.nz/investor-relations/corporate-governance)

The Corporate Governance Statement is accurate and up to date as at 25 October 2019 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 28 October 2019

Name of Director or Secretary authorising lodgement: Elizabeth McGregor

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The Company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.powerhouse-ventures.co.nz/CSR/Company-Policies">www.powerhouse-ventures.co.nz/CSR/Company-Policies</a></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> at pp 28-30 of our Annual Report</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.powerhouse-ventures.co.nz/investor-relations/corporate-governance">http://www.powerhouse-ventures.co.nz/investor-relations/corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.powerhouse-ventures.co.nz/investor-relations/corporate-governance">http://www.powerhouse-ventures.co.nz/investor-relations/corporate-governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> at <a href="http://www.powerhouse-ventures.co.nz/CSR/Company-Policies">www.powerhouse-ventures.co.nz/CSR/Company-Policies</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.powerhouse-ventures.co.nz/investor-relations/corporate-governance">http://www.powerhouse-ventures.co.nz/investor-relations/corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at <a href="http://www.powerhouse-ventures.co.nz/investor-relations/corporate-governance">http://www.powerhouse-ventures.co.nz/investor-relations/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.powerhouse-ventures.co.nz/investor-relations/corporate-governance">www.powerhouse-ventures.co.nz/investor-relations/corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.powerhouse-ventures.co.nz/investor-relations/corporate-governance">http://www.powerhouse-ventures.co.nz/investor-relations/corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [<i>insert location</i>]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [<i>insert location</i>]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## Corporate Governance Statement For the year ended 30 June 2019

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Powerhouse Ventures Limited (“PVL” or “the Company”) listed on the Australian Securities Exchange on 12 October 2016.

The PVL Board is committed to upholding the highest levels of corporate governance. PVL has structured its corporate governance principles and policies with reference to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition) which came into effect on 1 July 2014 (“ASX Corporate Governance Principles”), to which the Board fully subscribes.

A description of PVL's main corporate governance practices is set out below. This Corporate Governance Statement is based on the implementation of the ASX Corporate Governance Principles during the year ended 30 June 2019 and was approved by the Board on 25 October 2019.

The Corporate Governance Statement can be found on PVL's website at <http://www.powerhouse-ventures.co.nz/investor-relations/corporate-governance>.

### Principle 1: Lay solid foundations for management and oversight

#### 1.1 Roles and Responsibilities

##### (a) Roles and Responsibilities of the Board and Management

An overview of the roles of the Board and Management is set out in the document ‘Governance Framework’ on PVL’s Corporate Governance page of its website. The division of responsibility between Board and Management is determined by the document ‘Role and Composition of the Board’ on PVL’s website.

The Board is responsible for the overall corporate governance of the Company. The Board monitors the operational and financial position and performance of PVL and oversees its business strategy including approving the strategic goals. The Board is committed to maximising performance, generating appropriate levels of shareholder value and financial return and sustaining the growth and success of the Company.

In conducting business, the Board’s objective is to ensure that PVL is properly managed to protect and enhance shareholder interests and that the Company, its Directors, officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for PVL's business and which are designed to promote the responsible management and conduct of the Company.

A full summary of the role and responsibilities of the Board is set out in the document 'Role and Composition of the Board'.

The Board is responsible for the attainment of PVL's mission and business growth, profitability and service level objectives through leadership that inspires its people to efficiently and effectively execute strategic, tactical and action plans in accordance with the values that guide PVL’s work.

##### (b) Matters expressly reserved to the Board and those delegated to Management

All matters not expressly reserved to the Board in the ‘Role and Composition of the Board’ document (on PVL’s website) are delegated to Management. Specific further Board approved

delegations have also been delegated to Management with respect to capital and operating expenditure, investment approvals and operational risk management.

The delegations are monitored through Board and Committee reporting arrangements and are subject to review by the Board or relevant Board Committee.

## **1.2 Checks and Information regarding Appointments and Elections**

The basis for appointing directors is set out in the 'Role and Composition of the Board' and 'Role and Skills of Individual Directors' documents on the PVL website.

Pre-employment checks also include:

- contacting referees;
- confirmation of the proposed director's identity (using the 100 point check system set out in the Australian Financial Transactions Reports Regulations); and
- a New Zealand and Australia criminal record and insolvency check.

A Director newly appointed under the casual vacancy provisions of PVL's Constitution must retire at the next Annual General Meeting (AGM) and will be eligible for election by shareholders at that AGM. All material information in PVL's possession relevant to a decision whether or not to elect a director is provided to shareholders at such an AGM.

## **1.3 Terms of Appointment**

The template Letter of Appointment used for Directors can be found on PVL's website. All other employees including senior management who are not executive directors, are subject to a written employment agreement setting out the terms of their appointment.

## **1.4 Accountability of Company Secretary**

The Company Secretary reports to the Board through the Chair on all governance matters and all Directors have access to the Company Secretary.

## **1.5 Diversity**

PVL strives for diversity and equal employment opportunity. The Company's Diversity Policy (which can be found on the PVL website) sets out the measurable objectives for achieving gender diversity. PVL's assessment of these objectives and its progress in achieving them for each financial year can be found in PVL's Annual Reports.

The respective proportions of men and women across PVL are as follows:

- Board: five males;
- Senior Executive: one female (Chief Financial Officer);
- Total other PVL employees: one female.

## **1.6 Board Evaluation**

PVL uses its 'Board Evaluation and Renewal Policy' to drive efficient and effective Board processes that aim to maintain an energised, proactive and effective Board. The policy sets out the process for Board evaluation.

In accordance with the Policy, the Chairman has held one-on-one discussions with each member of the Board and the Chairman has reported to the Board on the outcomes from this process during the financial year. The Chairman has commenced a process for Board renewal, with changes to be detailed to shareholders in the 2019 Annual General Meeting.

The Corporate Governance & Nomination Committee has reviewed on a number of occasions during the financial year the completed and updated Board Skills Assessment matrix, used by Directors to assist the Board succession planning process. These reviews have assisted with deliberations regarding the Board's performance as a whole.

The Board is yet to undertake an external Board Performance Assessment.

## 1.7 Senior Executive Evaluation

All PVL employees, including Senior Executives are subject to annual review under the PVL Performance Review and Development Plan (PRDP).

The Board regularly reviews the performance of each member of the Executive Team. Non-Executive Directors undertake these reviews without Management present, unless there is a need to discuss the performance directly with the Executive.

## Principle 2: Structure the Board to Add Value

### 2.1 Corporate Governance & Nomination Committee

The Corporate Governance & Nomination Committee consists of three members. Although all the members of the Committee are non-independent directors, the Board is confident that the Committee functions effectively.

- Geoff Gander (Chair);
- Ian Lothian; and
- Russell Yardley.

Details of these Directors' attendance at the Committee meetings can be found in PVL's Annual Reports. The Charter of the Committee can be found on PVL's Corporate Governance page of its website.

### 2.2 Board Skills Matrix

A table setting out the mix of skills and diversity that the Board is looking to achieve in its membership is set out in the document 'Non-Executive Director Skills and Experience Requirements' on PVL's Corporate Governance page of its website.

### 2.3 Board Composition

Details of persons who held office during FY 2019 can be found in PVL's Annual Reports. The current members of the Board are as follows:

Russell Yardley	Chair, Executive Director	Appointed 28 February 2017
Geoff Gander	Executive Director	Appointed 15 September 2018
Ian Lothian	Executive Director	Appointed 2 April 2019
Richard Symon	Non-Executive Director	Appointed 8 October 2019
Shuyu Yang (Nick Young)	Non-Executive Director	Appointed 8 October 2019

### 2.4 Independent Directors

Three of the Company's directors are executive directors and therefore not independent. The two non-executive directors are not independent. Richard Symon is a director of Jun Hong Shen (Aust) Limited, which is a substantial shareholder in PVL. Shuyu Yang is a director of United World Group which is also a substantial shareholder in PVL.: In considering whether a Director is independent, the Board refers to PVL's 'Independent Director Standards' document (on PVL's website) which builds on the ASX Corporate Governance Principles. Because of the size of the

Company, it is appropriate that some directors have executive roles. All interests of the directors are fully disclosed, and directors are not present for or able to vote on items in Board meetings where they have a conflict of interest.

## **2.5 Board Chair**

The Chair of PVL is Russell Yardley who is not independent. The Company believes that an independent Chair does not necessarily improve the function of the Board, and that Mr Yardley's skills and experience add value to PVL. There is currently no Chief Executive.

## **2.6 Director Induction and Professional Development**

New Directors are provided with a 'Directors Induction Pack' which is used, in combination with an associated series of briefings, to provide a clear overview of the Company, its people and its business environment.

There are also a range of documents provided in a 'Directors Induction' folder on PVL's centralised online storage folder. The folder includes:

- Past Board Papers;
- governance documents including Board policies and PVL's Constitution;
- organisation charts and contact lists; and
- useful reading materials.

All Directors have access to Company records and information and receive detailed financial and operational reports from senior management during the year to enable them to carry out their duties. Directors also liaise with senior management as required and may consult with other employees and seek additional information on request.

Directors are provided with relevant professional development materials as a part of Board and Committee papers and the Board Portal resource section. In addition, the Company has a budget allowance to enable Directors to partake in relevant professional development activities each year.

## **Principle 3: Act ethically and responsibly**

### **3.1 Code of Conduct**

PVL has developed a Code of Conduct which has been approved by the Board and applies to all directors and employees. The Code of Conduct clarifies the principles, values, standards and rules of behaviour that guide the decisions, procedures, and systems of PVL in a way that contributes to the welfare of its key stakeholders and respects the rights of all affected by its operations. A copy of the Code can be found on PVL's website.

## **Principle 4: Safeguarding integrity in corporate reporting**

### **4.1 Audit Committee**

The Audit and Risk Committee oversees audit and risk. The members of the Committee are set out below.

- Ian Lothian (Chairman);
- Russell Yardley; and
- Geoff Gander.

Although all the members of the Committee are non-independent directors, the Board is confident that the Committee carries out its functions effectively. Details of these Directors' attendance at the Committee meetings can be found in PVL's Annual Reports. The Charter of the Committee can be found on PVL's Corporate Governance page of its website.

## 4.2 CEO / CFO declaration

Before the Board approves PVL's financial statements, PVL's Chief Financial Officer provides a letter of representation to the Board and provide a declaration that:

- in their opinion, PVL's financial records have been properly maintained;
- the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of PVL; and
- their opinion is formed on the basis of a sound system of risk management and internal control which is operating effectively.

## 4.3 Role of external auditor

Grant Thornton ("GT") is PVL's external auditor. A GT representative will be attending the Company's next AGM in 2019 and will be available to answer shareholder questions relating to the audited statements for FY2019.

## Principle 5: Make timely and balanced disclosure

### 5.1 Continuous Disclosure

PVL is committed to the promotion of investor confidence by ensuring that trade in its securities takes place in an efficient, competitive and informed market. The Company recognises the importance of forthright communication as a key component in building shareholder value and that to prosper and achieve growth the Company must (among other things) earn the trust of employees, customers, suppliers, the community and security holders by being forthright in its communications and consistently delivering on its commitments. PVL's 'Market Disclosure and Communications Policy' (on PVL's website) sets out PVL's commitment to continuous disclosure.

## Principle 6: Respect the rights of security holders

### 6.1 Website information

PVL's website [www.powerhouse-ventures.co.nz](http://www.powerhouse-ventures.co.nz) provides information about itself and its governance.

### 6.2 Investor Relations Program

PVL's website has an 'Investor Relations' page which includes all ASX announcements and PVL reports and presentations, as well as frequently asked questions and contact details.

### 6.3 Shareholder Meetings

PVL's Notice of Meeting for PVL's Annual General Meetings ("AGM") sets out the details for shareholders to vote in person, by proxy, or via an online facility managed by our share registry. The Notice also sets out resolutions to be considered and explanatory notes providing further information about any resolutions.

Shareholders are also able to ask questions of PVL representatives at each AGM.

### 6.4 Shareholder Communications

Shareholders may elect to receive communications from PVL and the share registry electronically. PVL regularly asks shareholders if they wish to amend their election.

## **Principle 7: Recognise and manage risk**

### **7.1. Risk Committee**

The Audit and Risk Committee oversees audit and risk. The members of the Committee are:

- Ian Lothian (Chairman);
- Russell Yardley; and
- Geoff Gander.

Although all the members of the Committee are non-independent directors, the Board is confident that the Committee carries out its functions effectively. Details of these Directors' attendance at the Committee's meetings can be found in PVL's Annual Reports. The Charter of the Committee can be found on PVL's Corporate Governance page of its website.

### **7.2 Risk Management Framework**

PVL's Risk Management Framework is based on AS/NZS ISO Risk Management Principles and guidelines (the Standards) and provides the foundations and organisational arrangements audited by PVL in respect to risk management.

The Framework was reviewed in October 2019 and the latest version can be found on PVL's website within the 'Risk Management Policy and Framework'.

### **7.3 Internal Audit**

PVL's 'Internal Audit Charter' can be found on its website. The Chief Financial Officer is accountable for all internal audit activities and reports directly to the Board through the Audit and Risk Committee. The Internal Audit Charter sets out how the internal function is structured and what role it performs.

### **7.4 Economic, Environmental and Social Sustainability Risks**

PVL has reviewed its economic, environmental and social sustainability risks. These risks have been identified as unlikely to occur with a moderate risk rating given the catastrophic consequences if they did eventuate. To mitigate the risks identified, PVL has developed an action plan and regularly updates and reviews its internal risk register.

## **Principle 8: Remunerate Fairly & Responsibly**

### **8.1 Remuneration Committee**

PVL's Human Resources & Remuneration Committee consists of three members. The members of the Committee are:

- Russell Yardley (Chair);
- Geoff Gander; and
- Ian Lothian.

Although all the members of the Committee are non-independent directors, the Board is confident that the Committee carries out its functions effectively. Details of these Directors' attendance at the Committee meetings can be found in PVL's Annual Reports. The Charter of the Committee can be found on PVL's Corporate Governance page of its website.



## **8.2 Remuneration Policy & Practices**

PVL's policies and practices regarding the remuneration of its directors and senior executives is set out in its 'Remuneration Policy' on PVL's website.

For employees of PVL, including senior executives, remuneration packages are based on a combination of:

- fixed annual remuneration
- cash-based short-term incentives; and
- equity-based long-term incentive (performance rights scheme – PRS).

## **8.3 Equity-based remuneration Scheme**

As noted above, the remuneration package for PVL employees includes equity-based remuneration. PVL 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". PVL's 'Share Trading Policy' sets out when directors and employees are permitted to deal with PVL shares.