



POWERHOUSE VENTURES LIMITED
ACN 612 076 169
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 3:00 pm (AEDT)

DATE: 28 November 2022

PLACE: The Company will hold this Annual General Meeting by way of live video conference. There will be no physical meeting.

Shareholders wishing to attend the online meeting will need to visit the following link: <https://meetnow.global/M7ULN7W>

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (AEDT) on 26 November 2022.

BUSINESS OF THE MEETING

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2022."

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

2. RESOLUTION 2 – ISSUE OF UNQUOTED OPTIONS IN LIEU OF FEES TO MR ROSS GREGORY

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

"That approval is given for the Company to issue 1,000,000 Options to Mr Ross Gregory (or their nominee) on the terms and conditions set out in the Explanatory Statement."

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

3. RESOLUTION 3 – ISSUE OF UNQUOTED OPTIONS IN LIEU OF FEES TO MR SHAUN WILSON

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

"That approval is given for the Company to issue 1,000,000 Options to Mr Shaun Wilson (or their nominee) on the terms and conditions set out in the Explanatory Statement."

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

4. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR JOSEPH DEMASE

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

“That, for the purposes of clause 27.1 of the Constitution, Listing Rule 14.5 and for all other purposes, Mr Joseph Demase, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

5. RESOLUTION 5 – APPROVAL OF 7.1A MANDATE

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

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

Dated: 26 October 2022

By order of the Board

**Mr James Kruger
Executive Chariman**

Voting Prohibition Statements

Resolution 1 – Adoption of Remuneration Report	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or (b) a Closely Related Party of such a member. <p>However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"> (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or (b) the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> (i) does not specify the way the proxy is to vote on this Resolution; and (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
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Voting Exclusion Statements

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

Resolution 2 – Issue of Options in lieu of fees to Mr Ross Gregory	<p>Mr Ross Gregory (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.</p>
Resolution 3 – Issue of Options in lieu of fees to Mr Shaun Wilson	<p>Mr Shaun Wilson (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.</p>

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting by proxy

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

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

- each Shareholder has a right to appoint a proxy;

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

Shareholders and their proxies should be aware that:

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

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

Virtual attendance

Directors have resolved that the Meeting will be conducted solely in a virtual manner by electronic means, as permitted by the Company's Constitution. The Meeting will be held by a webconferencing facility which will allow Shareholders to observe the Meeting via a webconference, ask questions and vote via an Online Poll.

If you wish to attend the meeting online, you must visit this link <https://meetnow.global/M7ULN7W>. Information regarding the meeting and the attendance can be found at www.computershare.com.au/virtualmeetingguide

Online Voting

Securityholders must use the Computershare Meeting Platform to attend and participate in the meeting.

To participate in the meeting, you can log in by entering the following URL <https://meetnow.global/M7ULN7W> on your computer, tablet or smartphone. Online registration will open 30 minutes before the meeting.

To make the registration process quicker, please have your SRN/HIN and registered postcode or country code ready. Proxyholders will need to contact the call centre before the meeting to obtain their login details.

To vote in the meeting online follow the instructions below.

1. Click on 'Join Meeting Now'.
2. Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 one hour prior to the meetings to obtain their login details.
3. Enter your postcode registered to your holding if you are an Australian securityholder. If you are an overseas securityholder select the country of your registered holding from the drop down list.
4. Accept the Terms and Conditions and 'Click Continue'.

You can view the meeting live, ask questions verbally or via a live text facility and cast votes at the appropriate times while the meeting is in progress.

For full details on how to log on and vote online, please refer to the user guide www.computershare.com.au/virtualmeetingguide

EXPLANATORY STATEMENT

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

FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.phvl.com.au.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

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

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

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

1.2 Voting consequences

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

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

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

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

1.3 Previous voting results

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

2. RESOLUTIONS 2 AND 3– ISSUE OF UNQUOTED OPTIONS IN LIEU OF FEES TO MEMBERS OF THE ADVISORY PANEL

2.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue:

- (a) subject to Resolution 2, 1,000,000 Options to Mr Ross Gregory (or his nominee);
- (b) subject to Resolution 3, 1,000,000 Options to Mr Shaun Wilson (or his nominee);

(together, the **Option Recipients**) on the terms and conditions set out below.

Each of the Options that are being issued to the Option Recipients are exercisable at \$0.11 on or before 31 December 2023 and are subject to certain vesting conditions as detailed in Section 3 of Schedule 1. The Option terms are identical to those previously issued to Directors and executive management.

The Options are being issued to the Option Holders in lieu of receiving fees in cash for their participation on the Powerhouse Ventures Advisory Panel. For further information, please refer to the Company's announcement to the ASX on 3 May 2022 and the Appendix 3B lodged with the ASX on 30 June 2022.

2.2 Listing Rules 7.1 - 7.3

Subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it has on issue at the start of that 12 month period.

The issue of securities contemplated by Resolutions 2 and 3 are exempt from Listing Rule 7.1 under Exception 17 of Listing Rule 7.2.

Exception 17:

An agreement to issue equity securities that is conditional on the holders of the entity's ordinary securities approving the issue under rule 7.1 before the issue is made. If an entity relies on this exception, it must not issue the equity securities without such approval.

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Unquoted Options:

- (a) a maximum of 2,000,000 Unquoted Options may be issued to the Option Recipients in lieu of fees.
- (b) the Unquoted Options will be issued no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);

(c) the Unquoted Options are issued to the Option Recipients in lieu of fees, and will be issued at an issue price of nil;

(d) The Unquoted Options will have an exercise price of \$0.11 each, an expiry date of 31 December 2023 and will otherwise be subject to certain vesting conditions on the terms and conditions as set out in Schedule 1;

(e) no funds will be raised from the issue of the Unquoted Options as they are issued to the Option Recipients in lieu of fees. If the Unquoted Options vest and are exercised, the proceeds from the exercise of the Placement Options will be used towards general working capital expenses; and

(f) a voting exclusion statement is included in the Notice.

2.3 Technical Information required by Listing Rule 14.1A

If Resolutions 2 and 3 are passed the 2,000,000 Unquoted Options will be excluded in calculating the Company's 15% issuance limit in Listing Rule 7.1 and the additional 10% limit under Listing Rule 7.1A (assuming the additional 10% capacity under Listing Rule 7.1A is approved pursuant to Resolution 5). This will mean the 2,000,000 Unquoted Options will not be included in calculating the Company's capacity to issue securities without Shareholder approval over the 12-month period following the issue date of the Unquoted Options.

If Resolutions 2 and 3 are not passed, the 2,000,000 Unquoted Options will be included in calculating the Company's combined limit of 25% in Listing Rules 7.1 and 7.1A, and will be issued when such capacity is available, effectively limiting the number of equity securities the Company can issue for other purposes without Shareholder approval over the 12-month period from the date of issue of the Unquoted Options.

3. RESOLUTION 4 – RE-ELECTION OF DIRECTOR

3.1 General

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

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

Mr Joseph Demase, who has served as a Director since 24 November 2021, retires by rotation and seeks re-election pursuant to Resolution 4.

3.2 Qualifications and other material directorships

Mr Demase is currently the Managing Director of ASX-listed Webcentral Limited (ASX:WCG) (Webcentral), which is Australia's largest full-service digital services partner for small and medium businesses - fuelling the growth of local businesses from inception to acceleration. Since its founding in 1996, Webcentral Group (previously Melbourne IT Group and Arq Group) has helped fuel the success of more than one million Australian small to medium businesses. With roots in domain name and hosting, Webcentral is the small and medium business digital marketing expert who catapult growth by helping businesses get online, improve and protect their online presence. Webcentral, Melbourne IT and Domainz are its main brands.

Mr Demase has previously held directorships in security consulting organisation Stark Corporation Pty Ltd and media organisation Same Page Media, and held a senior management role in video conferencing and communications company Ivision Pty Ltd.

In 2001, prior to his appointment as a company director, Mr Demase co-founded Clever Communications (ASX:CVA) previously Access Providers Ltd (ASX:APV), a business to business Wireless Broadband Carrier with coverage in all major cities across Australia. During that time, Mr Demase managed the listing of the business on the stock exchange and completed 3 complementary acquisitions. Revenue from the business grew from \$0 to over \$20m per annum in 5 years. Key to the success of the business was Mr Demase's ability to develop the necessary systems and operating protocols required to support a rapidly growing business environment. Mr Demase's success in spearheading the listing effort, ensured that funding was available to support business expansion. His focus on the ongoing management needs and business control processes also enabled smooth transitions for the business through times of rapid change and significant growth.

3.3 Independence

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

3.4 Recommendation

The Board has reviewed Mr Demase's performance since his appointment to the Board and considers that his skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Demase and recommends that Shareholders vote in favour of Resolution 4.

4. RESOLUTION 5 – APPROVAL OF 7.1A MANDATE

4.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

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

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

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$6.03m (based on the number of Shares on issue and the closing price of Shares on the ASX on 19 October 2022).

Resolution 5 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 5 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 5 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

4.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 5:

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

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

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

(b) Minimum price

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

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 4.2(b)(i), the date on which the Equity Securities are issued.

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

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

(d) Risk of Economic and Voting Dilution

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

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

- (e) The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 19 October 2022.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

		Dilution			
Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Issue Price		
			\$0.025	\$0.05	\$0.075
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	120,743,176	12,074,31	\$301,857	\$603,175	\$905,573
50% increase	181,114,764	18,111,47	\$452,787	\$905,573	\$1,358,360
100% increase	241,486,352	24,148,635	\$603,715	\$1,207,431	\$1,811,147

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

The table above uses the following assumptions:

1. There are currently 120,743,176 Shares on as at the date of this Notice of Meeting;
2. The issue price set out above is the closing market price of the Shares on the ASX on 19 October 2022 being \$0.05.
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

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

(f) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

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

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

(g) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 24 November 2021 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 28 November 2021, the Company has issued 9,000,000 Equity Securities pursuant to the Previous Approval.

The 9,000,000 Equity Securities were ordinary shares issued to participants in a private placement of shares which was conducted by Ascia Capital through a private bookbuild process. The private placement was completed and announced on 4 February 2022 and consisted of an issuance of ordinary shares from the Company's Listing Rule 7.1 and Listing Rule 7.1A capacity.

The ordinary shares were issued on 7 February 2022 at an issue price of \$0.10 per share which represented a discount of 10% discount to the closing price of the Company's shares of \$0.11 on 7 February 2022.

The Company raised a total of \$900,000 from the issue of shares from the issuance of 9,000,000 shares from the Company's Listing Rule 7.1A

capacity. These funds were used to fund working capital of the Company.

4.3 Voting Exclusion Statement

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

GLOSSARY

In this Explanatory Statement, the following terms have the following meaning:

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 4.1.

Advisory Panel means the advisory panel formed by the Board as further explained in its ASX announcement dated 3 May 2022

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

ASIC means the Australian Securities & Investments Commission.

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

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

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

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority

and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Managing Director means the managing director of the Company who may, in accordance with the Listing Rules, continue to hold office indefinitely without being re-elected to the office.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2021.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

1. Entitlement

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

2. Exercise Price

Subject to paragraph 12, the amount payable upon exercise of each Option will be \$0.11 (**Exercise Price**).

3. Vesting condition

The Options only vest and are exercisable if:

- (a) the Optionholder remains an employee, consultant or officer of the Company
- (b) prior to the Expiry Date (as defined below), the volume weighted average price of the Shares over a 20 consecutive trading day period is in excess of A\$0.20 per Share,

(**Vesting Condition**).

The Board may not waive the Vesting Condition in whole or in part at any time.

4. Expiry Date

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

5. Exercise Period

Once the Vesting Condition is satisfied, the Options are exercisable at any time and from time to time on or prior to the Expiry Date (**Exercise Period**).

6. Notice of Exercise

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

7. Exercise Date

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

8. Timing of issue of Shares on exercise

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

- (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of

Exercise and for which cleared funds have been received by the Company;

- (b) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

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

9. Shares issued on exercise

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

10. Reconstruction of capital

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

11. Participation in new issues

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

12. Change in exercise price

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

13. Transferability

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