

## Corporate Governance Statement For the year ended 30 June 2022

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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 (4th Edition) which came into effect on 1 July 2020 (“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 2022 and was approved by the Board on 27 September 2022.

The Corporate Governance Statement can be found on PVL's website at:

<https://phvl.com.au/investors/corporate-governance.pdf>

### 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 & senior executives 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 for directors & senior executives 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**

All Directors are appointed pursuant to a Letter of Appointment . 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. Due to the current size & scope of the company, PVL's ability to achieve more diversity is limited.

The respective proportions of men and women across PVL as at 30 September 2022 are as follows:

- Board: three males;
- Management: three males

## **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 will hold one-on-one discussions with each member of the Board and the outcomes from this process will be reported in the Annual Report.

The Corporate Governance & Nomination Committee has reviewed 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.

Due to the current size & scope of the company, external reviews are not conducted.

## 1.7 Senior Executive Evaluation

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

The Board will review the performance of each member of the Executive Team. Non- Executive Directors will 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 where the Board consists of four or more members. Where the Board has fewer than four members the duties of the Committee are discharged by the full Board

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 2022 can be found in PVL's Annual Reports. The current members of the Board are as follows:

James Kruger	Executive Chair	Appointed 24 November 2021
Joshua Baker	Non-Executive Director	Appointed 24 November 2021
Joe Demase	Non-Executive Director	Appointed 24 November 2021

### 2.4 Independent Directors

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 hold executive roles from time to time. 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 are determined to have a conflict of interest.

### 2.5 Board Chair

The Chair of PVL is James Kruger who is not independent. The Company believes that an independent Chair would not have necessarily improved the function of the Board, and that Mr Kruger's skills and experience added 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;
- organisational 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 Committee consist of at least three members, where the Board consists of four or more members. Where the Board has fewer than four members the duties of the Committee are discharged by the full Board

Although one of the members of the Committee performs the functions of an executive chairman, the Board is confident that the Committee carries out its functions effectively. The Charter of the Committee can be found on PVL's Corporate Governance page of its website.

### **4.2 Chief Financial Officer 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 2022 and will be available to answer shareholder questions relating to the audited statements for FY2022.

## **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.phvl.com.au](http://www.phvl.com.au) 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.

All substantive resolutions of shareholder meetings should be decided by poll rather than show of hands.

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 Committee consists of at least three members, where the Board consists of four or more members. Where the Board has fewer than four members the duties of the Committee are discharged by the full Board.

Although one of the members of the Committee performs the functions of an executive chairman, the Board is confident that the Committee carries out its functions effectively. 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 April 2022 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 where the Board consists of four or more members. Where the Board has fewer than four members the duties of the Committee are discharged by the full Board

### **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 may be based on any one of or 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 an option to receive 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.