

# **POWERHOUSE ENERGY GROUP PLC**

*(Company Number 03934451)*

**NOTICE OF ANNUAL GENERAL MEETING  
TO BE HELD AT 11 a.m. ON 27 JULY 2018**

**LETTER FROM THE CHAIRMAN**  
**POWERHOUSE ENERGY GROUP PLC**  
*(incorporated and registered in England and Wales with no. 03934451)*

*Directors:*

Dr Cameron Davies, non-executive chairman  
Keith Allaun, chief executive officer  
David Ryan, executive director  
Brent Fitzpatrick, non-executive director  
James Greenstreet, non-executive director

*Registered Office:*

10b Russell Court  
Woolgate  
Cottingley Business Park  
Bingley  
West Yorkshire  
BD16 1PE

4 July 2018

To: holders of ordinary shares in Powerhouse Energy Group plc (**Shareholders**)

Dear Shareholders

**Notice of Annual General Meeting**

**1. Introduction**

Notice of the Annual General Meeting (**AGM**) of Powerhouse Energy Group plc (**Company**) is set out at the end of this document. The audited accounts of the Company for the year ended 31 December 2017 were posted to Shareholders on 29 June 2018 and are also available for download on the Company's website at [www.powerhouseenergy.net](http://www.powerhouseenergy.net).

The purpose of this document is to provide you with the background to the resolutions to be proposed at the AGM, and to explain why the Directors consider them to be in the best interests of the Company and the Shareholders as a whole, and why the Directors recommend that the Shareholders should vote in favour of the resolutions at the AGM.

**2. Annual General Meeting**

The AGM of the Company will be held at the offices of WH Ireland at 24 Martin Lane, London EC4R 0DR at 11.00 a.m. on 27 July 2018. An explanation of each of the proposed resolutions is set out below. Resolutions 1 to 6 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolution 7 is proposed as a special resolution. This means that for this resolution to be passed, as least three quarters of the votes cast must be in favour of it.

**Section 656 Companies Act 2006:** where the net assets of a public company are less than half its called up share capital, the directors must call a general meeting to consider whether any, and if so what, steps should be taken to deal with the situation. No vote will be taken on the matter.

**Resolution 1:** to approve the annual report and accounts for the year ended 31 December 2017. The Directors are required to lay before the Company at the AGM the accounts of the Company for the financial year ended 31 December 2017, the report of the Directors and the report of the Company's auditors on those accounts.

**Resolution 2:** to approve the re-appointment of Jeffreys Henry LLP as the auditors of the Company and to authorise the Directors to approve the remuneration of the auditors. The

Company is required to appoint auditors at each general meeting at which accounts are laid, to hold office until the next such meeting.

**Resolution 3:** to re-elect as a director of the Company, Keith Allaun who is retiring by rotation and who being eligible offers himself for election.

**Resolution 4:** to re-elect as a director of the Company, James Greenstreet who is retiring by rotation and who being eligible offers himself for election.

**Resolution 5:** to reappoint, as a director of the Company, Dr Cameron Davies who is retiring, having been appointed by the directors since the last annual general meeting, and who being eligible offers himself for election.

**Resolution 6:** to approve the renewal of the Directors' authority to allot shares in the Company. If passed, this resolution will give the Directors general authority to allot ordinary shares, on a pro-rata basis, up to a maximum nominal amount of £5,167,659, representing approximately two thirds of the issued ordinary share capital of the Company. This authority will expire at the conclusion of the AGM of the Company to be held in 2019 or, if earlier, 15 months from the date of the resolution.

**Resolution 7:** a special resolution to dis-apply the statutory pre-emption rights of Shareholders in order to authorise the Directors to allot ordinary shares for cash either by way of rights issue or without first having to offer them to the Company's existing Shareholders, provided such latter authority is limited to a maximum nominal amount of £2,713,292 (representing approximately 35% of the issued ordinary share capital of the Company) less the aggregate nominal amount of any securities issued by way of rights issue.

### **3. Action to be taken**

Shareholders will find enclosed with this document a form of proxy for use at the AGM. You are requested to complete, sign and return the form of proxy to the Company's registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD as soon as possible but, in any event so as to arrive by no later than 48 hours before the time and date of the meeting. The completion and return of a form of proxy will not preclude you from attending the meeting and voting in person should you wish to do so.

### **4. Recommendation**

**The Directors consider the resolutions to be proposed at the Annual General Meeting to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend that Shareholders vote in favour of those resolutions.**

Yours faithfully

Dr Cameron Davies  
Chairman

## NOTICE OF ANNUAL GENERAL MEETING

### POWERHOUSE ENERGY GROUP PLC

(Company Number 03934451)(Company)

Notice is given that the annual general meeting of the members of the Company will be held at 11 a.m. on 27 July 2018 at the offices of WH Ireland, 24 Martin Lane, London EC4R 0DR to consider in accordance with section 656 Companies Act 2006 whether any, and if so what, steps should be taken to deal with the situation that the net assets of the Company are less than half its called up share capital. In addition, the meeting will consider and, if thought fit, transact the following business. Resolutions 1 to 6 will be proposed as ordinary resolutions and resolution 7 will be proposed as a special resolution:

#### Ordinary resolutions

1. To receive the financial statements for the 12 month period ended 31 December 2017 and the reports of the directors and the independent auditors as set out in the annual report and accounts.
2. To re-appoint Jeffrey Henry LLP as independent auditors in accordance with section 489 Companies Act 2006 and to authorise the directors to fix their remuneration.
3. To re-elect Keith Allaun as a director, who is retiring by rotation in accordance with the articles of association, and who being eligible offers himself for re-election.
4. To re-elect James Greenstreet as a director, who is retiring by rotation in accordance with the articles of association, and who being eligible offers himself for re-election.
5. To reappoint Dr Cameron Davies as a director, who is retiring having been appointed by the directors since the last annual general meeting, and who being eligible offers himself for election.
6. That:
  - 6.1 the Directors be generally and unconditionally authorised to allot Relevant Securities (as defined below):
    - 6.1.1 (subject to such exclusions or other arrangements as the board of directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in, or under, the laws of any territory or the requirements of any regulatory body or stock exchange) comprising equity securities (as defined by section 560 Companies Act 2006) up to an aggregate nominal amount of £5,168,176 (such amount to be reduced by the nominal amount of any Relevant Securities allotted under paragraph 6.1.2 below) in connection with an offer by way of a rights issue:
      - 6.1.1.1 to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
      - 6.1.1.2 to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary; and
    - 6.1.2 in any other case, up to an aggregate nominal amount of £2,584,088 (such amount to be reduced by the nominal amount of any equity securities allotted under the authority in paragraph 6.1.1 above);
  - 6.2 this authority will, unless renewed, varied or revoked by the Company, expire on the earlier to occur of 15 months from the passing of this resolution and the

conclusion of the Company's annual general meeting to be held in 2019, but the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted after such expiry and the Directors may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired;

6.3 this resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot Relevant Securities, but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities;

6.4 in this resolution, **Relevant Securities** means:

6.4.1 shares in the Company other than shares allotted pursuant to:

6.4.1.1 an employee share scheme (as defined by section 1166 Companies Act 2006);

6.4.1.2 a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or

6.4.1.3 a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security; and

6.4.2 any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme. References to the allotment of Relevant Securities in this resolution include the grant of such rights.

### Special resolution

7. That, subject to the passing of resolution 6:

7.1 the Directors be given the general power to allot equity securities (as defined by section 560 Companies Act 2006) for cash, either pursuant to the authority conferred by resolution 6 or by way of a sale of treasury shares, as if section 561(1) Companies Act 2006 did not apply to any such allotment. This power is limited to:

7.1.1 the allotment of equity securities in connection with an offer of equity securities (but, in the case of the authority granted under 6.1.1, by way of a rights issue only):

7.1.1.1 to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and

7.1.1.2 to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary; and

7.1.2 the allotment (otherwise than pursuant to paragraph 7.1.1) of equity securities or sale of treasury shares up to an aggregate nominal amount of £2,713,292.80;

7.2 the Directors may, for the purposes of paragraph 6.4.2, impose any limits or restrictions and make any arrangements which they consider necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange;

- 7.3 the power granted by this resolution will expire on the earlier to occur of 15 months from the passing of this resolution and the conclusion of the Company's annual general meeting to be held on 2019 (unless renewed, varied or revoked by the Company prior to or on such date) except that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement notwithstanding that the power conferred by this resolution has expired; and
- 7.4 this resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if section 561(1) Companies Act 2006 did not apply but without prejudice to any allotment of equity securities already made, offered or agreed to be made pursuant to such authorities.

By order of the board  
Nigel Brent Fitzpatrick  
*Company secretary*  
4 July 2018

*Registered Office:*  
10b Russell Court  
Woolgate  
Cottingley Business Park  
Bingley  
West Yorkshire  
BD16 1PE

## **Notes to the notice of annual general meeting:**

### *Entitlement to attend and vote*

1. The only members entitled to attend and vote at the meeting are those who are registered on the Company's register of members at:
  - 1.1 close of business on 25 July 2018; or
  - 1.2 if the meeting is adjourned, at close of business on the day two days prior to the adjourned meeting.

### *Appointment of proxies*

2. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you must appoint your own choice of proxy (not the chairman) and give your instructions directly to the relevant person.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you must complete a separate proxy form for each proxy and specify against the proxy's name the number of shares over which the proxy has rights. If you are in any doubt as to the procedure to be followed for the purpose of appointing more than one proxy you must contact the Company's registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD. If you fail to specify the number of shares to which each proxy relates, or specify a number of shares greater than that held by you on the record date, proxy appointments will be invalid.
5. If you do not indicate to your proxy how to vote on any resolution, your proxy will vote or abstain from voting at his discretion. Your proxy will vote (or abstain from voting) as he thinks fit in relation to any other matter which is put before the meeting.

### *Appointment of proxy using the hard copy proxy form*

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold his vote.
7. To appoint a proxy using the proxy form, it must be:
  - 7.1 completed and signed;
  - 7.2 sent or delivered to the Company's registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD; and
  - 7.3 received by the Company's registrars no later than 11 a.m. on 25 July 2018.
8. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
9. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

10. The Company, pursuant to regulation 41 of The Uncertificated Securities Regulations 2001, specifies that only those ordinary shareholders registered in the register of members of the Company 48 hours before the meeting shall be entitled to attend or vote at the meeting in respect of the number of Ordinary shares registered in their name at that time. Changes to entries on the relevant register of securities after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

#### *Appointment of proxies through CREST*

11. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
12. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (**EUI**) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID: 7RA11) by 11 a.m. on 25 July 2018. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
13. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as are necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
14. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

#### *Appointment of proxy by joint members*

15. In the case of joint holders of shares, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder (being the first named holder in respect of the shares in the Company's register of members) will be accepted.

#### *Changing proxy instructions*

16. To change your proxy instructions simply submit a new proxy appointment using the method set out in paragraphs 7 or 12 above. Note that the cut off time for receipt of proxy appointments specified in those paragraphs also applies in relation to amended instructions. Any amended proxy appointment received after the specified cut off time will be disregarded.



17. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact the Company's registrar as indicated in paragraph 4 above.
18. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

#### *Termination of proxy appointments*

19. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's registrar as indicated in paragraph 4 above. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
20. The revocation notice must be received by the Company no later than 11 a.m. on 25 July 2018.
21. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to paragraph 22 below, your proxy appointment will remain valid.
22. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

#### *Issued shares and total voting rights*

23. As at close of business on 3 July 2018, the Company's issued share capital comprised:
    - 23.1 1,550,453,026 ordinary shares of nominal value 0.5p each. Each ordinary share carries the right to one vote at a general meeting of the Company; and
    - 23.2 17,373,523 deferred shares of nominal value 4.5p each. The deferred shares carry no voting rights;
    - 23.3 9,737,353 deferred shares of nominal value 4p each. The deferred shares carry no voting rights; and
    - 23.4 388,496,747 deferred shares of nominal value 0.5p each. The deferred shares carry no voting rights,
- therefore, the total number of voting rights in the Company as at close of business on 3 July 2018 is 1,550,453,026.

#### *Communication*

24. Except as provided above, members who have general queries about the meeting should call the Company's registrars, Neville Registrars, shareholder helpline on 0121 585 1131 if calling within the United Kingdom or +44 121 585 1131 if calling from outside the United Kingdom. Lines are open 9:00 a.m. – 5:00 p.m. Mon-Fri.