



Locality Planning Energy Holdings Limited

ABN 90 147 867 301

All registry communications to:

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21 September 2020

Dear Shareholder

2020 Annual General Meeting

The Annual General Meeting (the **AGM** or **Meeting**) of Locality Planning Energy Holdings Limited (**Company** or **LPE**) will be held at 10:00am (AEST) on Wednesday, 21 October 2020 at the Company's Boardroom, Kon-Tiki Business Centre, Tower 1, Suite 306, 55-59 Plaza Parade, Maroochydore QLD 4558.

At this years AGM the Company will ensure that social distancing requirements are adhered to for the safety of shareholders, staff and other individuals involved in the Meeting. The Company also notes that attendance numbers at the Meeting may be restricted if necessary so that any limitations in force at the time are adhered to in respect of shareholders who seek to attend the Meeting in person.

Notice of Meeting

The full Notice of Meeting, which sets out the agenda (including details of all resolutions being put to the meeting, voting information and Explanatory Memorandum), and the Annual Report, are available on the Company's website at URL: www.localityenergy.com.au/agm. **We will not be posting any printed copies.** This approach is consistent with the relief provided by the Commonwealth Treasurer in response to the COVID-19 pandemic.

Shareholders are encouraged to lodge their votes by logging in to their portfolio or holding(s) on the share registry's website at www.linkmarketservices.com.au by 10:00am (AEST) on Monday, 19 October 2020. Shareholders may also submit written questions to the Company or the auditor in advance of the AGM by email to the Company Secretary at investors@localityenergy.com.au or via the share registry's website at www.linkmarketservices.com.au.

Shareholder emails

Receiving your communications by email is the best way to stay informed and keep in touch about your shareholding, so I encourage you to take this opportunity to switch to paperless communications. To make the switch to paperless communications, simply complete the enclosed form and return it in the reply paid envelope provided.

Thank you for your continued support.

Yours sincerely

Justin Pettett

Chairman

Locality Planning Energy Holdings Limited

LOCALITY PLANNING ENERGY HOLDINGS LIMITED

ACN 147 867 301

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the **Annual General Meeting** will be held at:

TIME: 10.00am (AEST)

DATE: Wednesday, 21 October 2020

PLACE: Locality Planning Energy Holdings Limited
Boardroom
Kon-Tiki Business Centre
Tower 1, Suite 306
55-59 Plaza Parade
Maroochydore QLD 4558

2020 Annual Report

A copy of Locality Planning Energy Holdings Limited's 2020 Annual Report, including the financial report, directors' report and auditors report for the year ended 30 June 2020 is available on the Company's website at www.localityenergy.com.au/agm

LOCALITY PLANNING ENERGY HOLDINGS LIMITED
ACN 147 867 301

NOTICE OF ANNUAL GENERAL MEETING
Wednesday, 21 October 2020

Notice is hereby given that the Annual General Meeting of Shareholders (**AGM** or **Meeting**) of Locality Planning Energy Holdings Limited (**Company** or **LPE**) will be held on **Wednesday, 21 October 2020** at 10.00am (AEST) at Locality Planning Energy Holdings Limited, Boardroom, Kon-Tiki Business Centre, Tower 1, Suite 306, 55-59 Plaza Parade, Maroochydore QLD 4558.

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered at the AGM. Please ensure you read the Explanatory Statement in full.

AGENDA

1. ANNUAL REPORT

To receive and consider the Annual Financial Report of the Company and its controlled entities for the year ended 30 June 2020 which includes the Financial Report and the Directors' and Auditor's Reports.

2. RESOLUTION 1 – REMUNERATION REPORT

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

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 30 June 2020 be adopted."

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

Voting Exclusion Statement: In accordance with Section 250R of the Corporations Act, the Company will disregard any votes cast (in any capacity) on Resolution 1 by or on behalf of either of the following persons:

- (a) A member of the Key Management Personnel, details of whose remuneration are included in the remuneration report;
- (b) A closely related party of such a member. A closely related party includes close family members and companies the Key Management Personnel controls.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the voting directions given; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, either in accordance with the voting direction given to the proxy to vote as he / she decides or pursuant to the voting direction as detailed on the Notice of Meeting.

3. RESOLUTION 2 - ELECTION OF MR. JUSTIN PETTETT

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

"That Mr. Justin Pettett who retires in accordance with Clause 14.4 of the Company's Constitution, and being eligible, be re-elected as a director of the Company."

4. RESOLUTION 3 - ELECTION OF MS. MELISSA FARRELL

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

"That Ms. Melissa Farrell who retires in accordance with Clause 14.4 of the Company's Constitution, and being eligible, be re-elected as a director of the Company."

5. RESOLUTION 4 - ELECTION OF MR. BARNABY EGERTON-WARBURTON

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

"That Mr. Barnaby Egerton-Warburton who retires in accordance with Clause 14.4 of the Company's Constitution, and being eligible, be re-elected as a director of the Company."

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – PLACEMENT (LR 7.1)

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the issue of 6,978,926 fully paid ordinary Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of a person who participated in the issue or any associates of those persons.

However, this does not apply to a vote cast in favour of the resolution by 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 the chair of the meeting 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 a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: 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 the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – PLACEMENT (LR 7.1A)

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the issue of 5,021,074 fully paid ordinary Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of a person who participated in the issue or any associates of those persons.

However, this does not apply to a vote cast in favour of the resolution by 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 the chair of the meeting 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 a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: 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 the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

8. RESOLUTION 7 – ISSUE OF BROKER OPTIONS TO PAC PARTNERS SECURITIES PTY LTD

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 3,000,000 Unlisted Options to PAC Partners Securities Pty Ltd (or their nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of PAC Partners Securities Pty Ltd or an associate of PAC Partners Securities Pty Ltd.

However, this does not apply to a vote cast in favour of the resolution by 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 the chair of the meeting 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 a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: 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 the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

9. RESOLUTION 8 – ISSUE OF BROKER OPTIONS TO FRAMEWORK CAPITAL SOLUTIONS PTE LTD

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 400,000 Unlisted Options to Framework Capital Solutions Pte Ltd (or their nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of Framework Capital Solutions Pte Ltd or an associate of Framework Capital Solutions Pte Ltd.

However, this does not apply to a vote cast in favour of the resolution by 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 the chair of the meeting 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 a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: 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 the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

10. RESOLUTION 9 - APPROVAL FOR ADDITIONAL SHARE PLACEMENT CAPACITY

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

“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve giving the Company an additional ten percent (10%) capacity to issue equity securities in accordance with the

formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 9 by:

- any person who may participate in the issue of equity securities under this resolution and a person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary Shares, if the resolution is passed; and
- any associates of that person.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions given; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction to vote as the proxy decides.

11. RESOLUTION 10 – APPROVAL OF EMPLOYEE INCENTIVE PLAN

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

“That, for the purposes of ASX Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled “Employee Incentive Plan” and for the issue of securities under that employee incentive scheme, on the terms and conditions set out in the General Meeting Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 10 by or on behalf of a person who is eligible to participate in the employee incentive scheme or an associate of that person. However, this does not apply to a vote cast in favour of the resolution by 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 the chair of the meeting 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 a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: 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 the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
 - (iii) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

NOTES

Your vote is important

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

Voting eligibility

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 6.00pm (AEST) on Monday, 19 October 2020.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please lodge your proxy instructions through your portfolio or holding (s) login on the share registry's website at www.linkmarketservices.com.au **no later than 48 hours before the commencement of the meeting which is 10:00am (AEST) on Monday, 19 October 2020**. Proxies received after this time will **not** be effective for the scheduled meeting.

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 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 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 changes to the Corporations Act made in 2011 mean 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.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and

- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Proxy Voting by the Chairman

If you appoint the Chairman of the Meeting as your proxy or the Chairman of the Meeting is appointed as your proxy by default and you do not specify how the Chairman is to vote on a resolution, by completing and submitting your proxy votes, you expressly authorise the Chairman to vote your proxy as he sees fit.

The Chairman of the Meeting intends to vote all available proxies in favour of all resolutions.

Questions and Comments from Shareholders

In accordance with the Corporations Act, reasonable opportunity will be given to Shareholders to ask about or make comments on the financial statements for the year ended 30 June 2020 and the management of the Company at the AGM.

Similarly, Shareholders will be given a reasonable opportunity to ask the Company's external auditors, Bentleys, questions relevant to the accounting policies adopted by the Company in relation to the financial report, the conduct of the audit, the independence of the auditor in relation to the conduct of the audit and the preparation and content of the Auditor's Report.

Shareholders may also submit written questions to the Company or the auditor in advance of the AGM by email to the Company Secretary at investors@localityenergy.com.au or by lodging your question through your portfolio or holding(s) login via the share registry's website at www.linkmarketservices.com.au

Questions must be received by the Company no later than five (5) business days before the AGM.

Dated: 21 September 2020

By order of the Board

Daniel Seeney
Company Secretary

ANNUAL GENERAL MEETING EXPLANATORY STATEMENT

This Annual General Meeting (**AGM**) Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the AGM.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the General Meeting Resolutions.

1. ANNUAL REPORT

1.1 General

The first agenda item is to receive the Annual Report of the Company for the year ended 30 June 2020.

1.2 Corporations Act

Section 317 of the *Corporations Act 2001 (Cth)* requires the directors to lay before the Annual General Meeting the Financial Report, the Directors' Report (including the Remuneration Report) and the Auditor's Report for the last financial year that ended 30 June 2020.

The Annual Report is available on the Company's website and a printed copy has been sent to those shareholders who requested it.

In accordance with sections 250S and 250SA of the Corporations Act, Shareholders present at the Annual General Meeting will be provided with a reasonable opportunity to:

- (a) ask questions or make comment to the Directors present on the management of the Company and Remuneration Report; and
- (b) ask questions or make comment to the Auditor about the conduct of the audit and the preparation and content of the Auditor's Report.

No formal resolution to adopt the Annual Report will be put to the Shareholders at the Annual General Meeting.

Shareholders who are unable to attend the Annual General Meeting are able to submit written questions to the Chairman or the auditor about:

- (a) The preparation and the content of the 2020 Auditor's Report;
- (b) The conduct of the 2020 audit;
- (c) Accounting policies adopted by the Company in relation to the preparation of the 2020 financial statements; and
- (d) The independence of the Auditor in relation to the conduct of the 2020 audit.

The questions will need to be submitted no later than five (5) business days before the Annual General Meeting to the Company Secretary at the Company's Registered Office or via email to investors@localityenergy.com.au or by lodging your question through your portfolio or holding(s) login via the share registry's website at www.linkmarketservices.com.au

2. RESOLUTION 1 – REMUNERATION REPORT

2.1 General

In accordance with Section 250R(2) of the Corporations Act, at a listed company's Annual General Meeting, a resolution that the Company's Remuneration Report be adopted must be put to the vote. Section 250R(3) of the Corporations Act provides that the vote on the resolution is advisory only and does not bind the Directors or the Company.

In accordance with Section 300A, the Remuneration Report sets out the Company's remuneration arrangements for Key Management Personnel. The Remuneration Report is part of the Directors' Report contained in the Annual Financial Report for the financial year ending 30 June 2020. A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

2.2 Voting Consequences

Under the Corporations Act, companies are required to put to shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company ("Spill Resolution") if, at two consecutive Annual General Meetings, at least 25% of the votes cast on the Remuneration Report are voted against the 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 are cast in favour of a Spill Resolution, the Company must convene a shareholder meeting ("Spill Meeting") within 90 days of the second Annual General Meeting. At that meeting, all directors who were in office at the time of the Directors' Report, other than the managing director, will cease to hold office immediately before the Spill Meeting. Those persons who are elected or re-elected at the Spill Meeting will be the directors of the company. Note those directors who ceased to hold office immediately prior to the Spill Meeting may stand for re-election.

At the 2019 Annual General Meeting, the adoption of the remuneration report was approved by 99% of votes by shareholders who voted on the resolution. Accordingly, a Spill Resolution is not required at this AGM.

Shareholders of the Company will be provided with the opportunity to ask questions about or make comments on the Remuneration Report.

3. RESOLUTIONS 2 TO 4- ELECTION OF DIRECTORS

3.1 General

In accordance with ASX Listing Rule 14.5, a public listed company must hold an election of directors at each annual general meeting. Further, in accordance with ASX Listing Rule 14.4 and the Company's Constitution, a director must not hold office (without re-election) past the third annual general meeting following the director's appointment and a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting.

Accordingly, as Ms. Farrell and Messrs. Pettett and Egerton-Warburton were all appointed to fill casual vacancies under Clause 14.4 of the Company's Constitution, they only hold office until the end of this meeting and, being eligible, stand for re-election at this meeting.

Background information on each of the directors is provided below:

Mr. Justin Pettett

Appointed: 28 January 2020, age 45

Justin has extensive ASX company experience and knows the internal workings of the Company and the electricity market well as a founder. Justin has been involved in the energy business, namely the oil and gas industry for over 20 years and is currently an Executive Director and the Chief Operating Officer of a Singapore based, South-East Asian oil and natural gas company overseeing contractual arrangements, partner negotiations and operational oversight. He has a solid, proven track record in identifying and maximising business opportunities, particularly in the energy sector with strengths including capital raising, negotiation, investment analysis and leading teams to deliver successful results.

Justin is the current Chairman of the Board and a member of both the Audit and Risk and Remuneration and Nomination Committees.

Ms. Melissa Farrell BBus, CPA, MAppFin, MAICD

Appointed: 19 March 2020, age 42

Melissa has over 15 years' experience working in accounting and finance. She has worked in various sectors, including banking and mining, both in Australia and overseas, for public listed companies.

Melissa is an Executive Director, Chair of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee.

Mr. Barnaby Egerton-Warburton B.Ec, GAICD

Appointed: 13 March 2020, age 51

Barnaby holds a Bachelor of Economics Degree and is a graduate of the Australian Institute of Company Directors. He has over 20 years of trading, investment banking, international investment and market experience. He has held positions with global investment banks in Hong Kong, New York and Sydney including JPMorgan, Banque Nationale de Paris and Prudential Securities.

Barnaby is Chairman of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee.

4. RESOLUTIONS 5 & 6– RATIFICATION OF PRIOR ISSUE – PLACEMENT (LR 7.1 & LR 7.1A)

4.1 General

On 5 August 2020, LPE announced it had received commitments from sophisticated and professional investors to raise \$3 million (before costs) through the issue of 12,000,000 fully paid ordinary shares in the Company at an issue price of \$0.25 (**Placement Shares**). It also announced it would allow Eligible Shareholders the opportunity to participate in the capital raising at \$0.25 per share through a Share Purchase Plan (**SPP**) to raise up to an additional \$1 million through the issue of up to 4,000,000 Shares on similar terms. PAC Partners Securities Pty Ltd acted as the lead manager to the Placement.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 6,978,926 Placement Shares issued utilising the Company's placement capacity under ASX Listing Rule 7.1 and resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 5,021,074 Placement Shares issued utilising the Company's placement capacity under ASX Listing Rule 7.1A.

4.2 Resolution 5 - ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

4.3 Resolution 6 – ASX Listing Rule 7.1A

ASX Listing Rule 7.1A provides that, in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

4.4 ASX Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under ASX Listing Rule 7.1 and 7.1A (as appropriate) and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

By ratifying the issue of Placement Shares, the subject of Resolutions 5 & 6, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

4.5 Technical information required by Listing Rule 14.1A

If Resolutions 5 and 6 are passed, the Placement Shares will be excluded in calculating the Company's 15% and 10% limits under ASX Listing Rules 7.1 and 7.1A respectively, increasing the number of equity

securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolutions 5 and/or 6 are not passed, the Placement Shares will be included in calculating the Company's combined 15% limit in ASX Listing Rule 7.1, and 10% limit in ASX Listing Rule 7.1A, decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

4.6 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 5 & 6:

- (a) The Placement Shares were issued on the following basis:
 - (i) 6,978,926 Placement Shares were issued utilising the Company's placement capacity under ASX Listing Rule 7.1; and
 - (ii) 5,021,074 Placement Shares were issued utilising the Company's placement capacity under ASX Listing Rule 7.1A;
- (b) the issue price for all of the Placement Shares was \$0.25;
- (c) the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Placement Shares were issued to clients of PAC Partners Securities Pty Ltd. None of these subscribers are a related party of the Company; and
- (e) funds raised from the issue of Placement Shares will be used to fund the Company's working capital requirements to continue growing the Company's customer base along with accelerating the roll out of LPE's emerging and innovative shared solar energy product.

5. RESOLUTIONS 7 & 8 – ISSUE OF BROKER OPTIONS

5.1 General

Resolution 7 seeks Shareholder approval for the issue of 3,000,000 Broker Options to PAC Partners Securities Pty Ltd (or its nominee/s) pursuant to the terms of the agreement between the Company and PAC Partners with respect to the Placement (see 4.1 above).

Resolution 8 seeks Shareholder approval for the issue of 400,000 Broker Options to Framework Capital Solutions Pte Ltd (or its nominee/s) pursuant to the terms of the agreement between the Company and Framework Capital Solutions. Framework Capital Solutions made the introduction to global asset management company, BlackRock Inc. which lead to LPE entering the strategic financing partnership with BlackRock (BlackRock Facility).

A summary of ASX Listing Rule 7.1 is set out in section 4.2 above.

5.2 Technical information required by Listing Rule 14.1A

If Resolution 7 and/or 8 are passed, the Broker Options will be excluded in calculating the Company's placement capacity, increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Broker Options.

If Resolution 7 and/or 8 are not passed, the Company can still issue the Broker Options however they will be included in calculating the Company's combined 15% limit in ASX Listing Rule 7.1, decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Broker Options.

5.3 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 7:

- (a) the maximum number of Broker Options to be granted is:

- (i) 3,000,000 Options to PAC Partners Securities Pty Ltd; and
- (ii) 400,000 Options to Framework Capital Solutions Pte Ltd;
- (b) the Broker Options will be granted no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the grant of the Options will occur on the same date;
- (c) the issue price of the Broker Options will be nil as they will be granted to
 - (i) PAC Partners Securities Pty Limited (or its nominee) in accordance with the terms of the agreement between the Company and PAC Partners Securities Pty Ltd; and
 - (ii) Framework Capital Solutions Pte Ltd (or its nominee) in accordance with the terms of the agreement between the Company and Framework Capital Solutions Pte Ltd;
- (d) 3,000,000 Broker Options will be granted to PAC Partners Securities Pty Ltd (or its nominee) and 400,000 Broker Options will be granted to Framework Capital Solutions Pte Ltd (or its nominee);
- (e) the Broker Options will be granted on the terms and conditions set out in Appendix 1; and
- (f) no funds will be raised from the grant of the Broker Options.

6. RESOLUTION 9 - APPROVAL FOR ADDITIONAL SHARE PLACEMENT CAPACITY

6.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its Annual General Meeting to allow it to issue Equity Securities up to 10% of its issued capital (**Additional Placement Capacity**). For the purposes of ASX Listing Rule 7.1A an 'eligible entity' is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. Locality Planning Energy Holdings Limited is an 'eligible entity'. The Additional Placement Capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1 and, as such, if the Additional Placement Capacity is approved, the Directors will be allowed to issue equity securities of up to 25% of the Company's issued share capital without prior approval from shareholders.

The Company seeks Shareholder approval by way of a special resolution to have the ability to issue equity securities under the Additional Placement Capacity, should the need arise. The Company has not previously sought and obtained shareholder approval under Listing Rule 7.1A.

As a **special resolution** at least 75% of votes cast by Shareholders eligible to vote at the meeting must be in favour of the resolution for it to be passed.

6.2 Technical information required by Listing Rule 14.1A

If Resolution 9 is passed, LPE will be able to issue an additional 10% of shares without Shareholder approval under its placement capacity under Listing Rule 7.1A.

If Resolution 9 is not passed, the Company will only have 15% of placement capacity available to it, decreasing the number of equity securities the Company can issue without Shareholder approval over the next 12-month period.

6.3 ASX Listing Rule 7.3A Requirements

Pursuant to ASX Listing Rule 7.3A, the issue price for each security issued under the Additional Placement Capacity will not be less than 75% of the volume weighted average price for securities in that class over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within 5 trading days of the date above, the date on which the securities are issued.

The issue of equity securities under the Additional Placement Capacity may result in voting dilution of existing ordinary shareholders (as shown in the table below). There is also the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

Table 1 following shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.3A.2 on the basis of the current market price of Shares and the current number of ordinary securities quoted on ASX for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% against the current market price.

Table 1

Variable "A" Number of Shares on Issue	Dilution			
	Issue Price (per Share)	0.125 50% decrease in Issue Price	0.25 Issue Price	0.375 50% Increase in Issue Price
62,210,736 (Current number of Shares on Issue)	10% Voting Dilution	6,221,074 Shares	6,221,074 Shares	6,221,074 Shares
	Funds Raised	\$777,634	\$1,555,268	\$2,332,903
93,316,104 (50% increase in Shares on Issue)	10% Voting Dilution	9,331,610 Shares	9,331,610 Shares	9,331,610 Shares
	Funds Raised	\$1,166,451	\$2,332,903	\$3,499,354
124,421,472 (100% increase in Shares on Issue)	10% Voting Dilution	12,442,147 Shares	12,442,147 Shares	12,442,147 Shares
	Funds Raised	\$1,555,268	\$3,110,537	\$4,665,805

The above table is based on the following assumptions:

- The number of shares on issue (variable "A") is calculated as 62,210,736 being all fully paid ordinary shares quoted on ASX as at the date of this Notice.
- The Company issues the maximum number of equity securities available under the Additional Placement Capacity.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table shows only the issue of equity securities under the Additional Placement Capacity and not under Listing Rule 7.1.
- The issue of equity securities under the Additional Placement Capacity includes only Shares.
- The issue price of \$0.25 was the closing price of shares on ASX on 1 September 2020.

Equity securities under the Additional Placement Capacity may be issued until the earlier of:

- the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- the date of approval by ordinary shareholders of a significant change to the Company's activities under ASX Listing Rule 11.1.2 or the date of approval by ordinary shareholders of a disposal of a major asset under ASX Listing Rule 11.2.
- To be clear, any approval of the Additional Placement Capacity at this Annual General Meeting will cease to be valid in the event that ordinary shareholders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

The Company may issue equity securities under the Additional Placement Capacity for the following purposes:

- non-cash consideration: for the acquisition of new assets and investments (in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3); or
- cash consideration: to raise funds for the development of the Company's new and existing products and services, the acquisition of new assets or investments (including assets associated with such acquisition), to repay debt or to fund working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any equity securities under the Additional Placement Capacity.

The Company's allocation policy for issues under the Additional Placement Capacity is dependent on prevailing market conditions at the time of any proposed issue. The identity of the allottees of the equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the purpose of the issue;
- the methods of raising funds that are available to the Company, including rights issues or other issues in which existing shareholders may participate;
- the effect of the issue of the equity securities on the control of the Company;
- the financial situation and solvency of the Company;
- prevailing market conditions; and
- advice from the Company's advisors.

As the Company has no current plans to undertake a new capital raising, the allottees under the Additional Placement Capacity have not yet been determined but if such an exercise was undertaken, allottees may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

LPE sought Additional Placement Capacity at its 2019 Annual General Meeting. During the 12 months preceding the date of this meeting, it issued its full 10% capacity under Listing Rule 7.1A, being 5,021,074 Shares to clients of PAC Partners Securities Pty Ltd at \$0.25 per share which represented a 4% discount to the closing market price on the date of the issue, being \$0.26. The total cash received for the issue of the shares under List Rule 7.1A was \$1,255,268. None of these funds have been spent to date. Funds will be used to fund the Company's working capital requirements to continue growing the Company's customer base along with accelerating the roll out of LPE's emerging and innovative shared solar energy product.

A voting exclusion statement has been included in this Notice. However, as at the date of this Notice, the Company has not approached any particular existing Shareholders to participate in the issue of equity securities under the Additional Placement Capacity. No existing Shareholders' votes will therefore be excluded under the voting exclusion in the Notice.

When the Company issues equity securities pursuant to the Additional Placement Capacity, it will give to ASX:

- a list of the allottees of the equity securities and the number of equity securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- the information required by Listing Rule 3.10.5A for release to the market.

7. RESOLUTION 10 – APPROVAL OF EQUITY INCENTIVE PLAN

7.1 General

Resolution 10 seeks Shareholder approval for the approval of an employee equity incentive scheme titled Equity Incentive Plan (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 13(b)) and for the issue of up to 5,000,000 securities under the Plan during the three (3) year period from approval.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.2 (Exception 13(b)) provides that ASX Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three (3) years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as an exception to ASX Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to ASX Listing Rule 7.2 (Exception 13(b)) (in this case 5,000,000).

Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

7.2 Technical information required by Listing Rule 14.1A

If this Resolution is passed, the Company will be able to issue up to 5,000,000 securities under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

For the avoidance of doubt, the Company must seek Shareholder approval under ASX Listing Rule 10.14 in respect of any future issues of securities under the Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 10 is not passed, the Company will be able to proceed with the issue of securities under the Plan to eligible participants, but any issues of securities will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the issue of the securities.

7.3 Additional Information

Shareholders should note that:

- the maximum number of securities to be issued under the Plan in the three (3) year period following the date of this Meeting is 5,000,000. It is not envisaged that the maximum number of Securities for which approval is sought will be issued immediately;
- No securities have been issued under the Plan since it was set out in the Company's Prospectus lodged with ASX under Listing Rule 1.1

The objective of the Plan is to attract, motivate and retain key employees.

A summary of the key terms and conditions of the Plan is set out in Appendix B. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary, Daniel Seeney. Shareholders are invited to contact the Company if they have any queries or concerns.

Appendix A

TERMS AND CONDITIONS OF BROKER OPTIONS

(a) **Entitlement**

Subject to meeting the Vesting Conditions, each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of the Options is \$0.375 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (Sydney time) on the date that is two (2) years from the date of issue of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

Vested Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **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 (**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.

(f) **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**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) 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;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, 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; and
- (iii) 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.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **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.

(k) **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.

(l) **Transferability**

Options are transferable subject to a six (6) month voluntary escrow period.

Appendix B

TERMS AND CONDITIONS OF THE EQUITY INCENTIVE PLAN

The key terms of the Employee Incentive Plan (**Plan**) are as follows:

(a) **Objectives**

The primary objectives of the Plan are to:

- (i) set out a method by which eligible participants can participate in the future growth and profitability of the Company;
- (ii) provide an incentive and reward for eligible participants for their contribution to the Company; and
- (iii) attract and retain a high standard of managerial and technical personnel for the benefit of the Company.

(b) **Eligible Participants**

Under the Plan, an award (Award) may be in the form of:

- (i) an option (Option) (a right to acquire a Share);
- (ii) a cash right (a right to be issued a cash payment with no exercise price);
- (iii) a deferred option award (an Option with no exercise price);
- (iv) a performance right (a right to receive Shares once specified performance criteria are met); or
- (v) a share appreciation right (rights to receive payment equal to the positive difference between the value of the Share as determined by the Board in the offer and the market value of the Share when the right is exercised (Appreciation Value)).

The Board at its sole discretion may invite any eligible person, including Directors, selected by it to complete an application relating to a specified number and type of Award allocated to that eligible person by the Board. The Board may offer Awards to any eligible person it determines and determine the extent of that person's participation in the Plan (Participant).

An offer by the Board is required to specify, among other things, the type of Award offered, the date and maximum number of Awards being offered, the issue price, exercise price or vesting conditions (if any) and any other matters the Board deems necessary, including the terms and conditions attaching to the Awards.

(c) **5% Limit**

The Plan has been prepared to comply with ASIC Class Order [CO 14/1000] (Class Order) and as such, offers under the Plan are limited to the 5% capital limit set out in the Class Order.

(d) **Terms of Awards**

No adjustments will be made to the number of Awards granted to a Participant under the Plan if dividends or other distributions are paid on Shares before Awards are exercised.

Shares issued to Participants on the exercise of an Award carry the same rights and entitlements as other Shares on issue. The Company will not seek quotation of any Awards, but will seek quotation for Shares issued on the exercise or conversion of Awards, provided the Company is listed on the ASX at the time.

Unless the Board determines otherwise, or as required by the law, an Award granted under the Plan is not capable of being transferred or encumbered by a Participant. The Company may buy-back Awards for an amount agreed with the Participant at any time, subject to applicable laws.

(e) **Exercise of Awards**

At the sole and absolute discretion of the Board, and in general terms, Awards granted under the Plan may only be exercised if particular exercise or vesting conditions have been met or waived, the exercise price (if any) has been paid to the Company, the Awards are exercised within the

respective exercise period (if any) and the Participant has been issued a vesting notification. An Award granted under the Plan may not be exercised once it has lapsed.

(f) **Lapse of Awards**

Subject to the terms and conditions in the offer and Award, and at the Board's absolute discretion, a Participant's Awards will lapse:

- (i) 90 days after the date of the lawful termination of the Participant where the dismissal was not due to:
 - (a) serious and willful misconduct;
 - (b) a material breach of the terms of employment or engagement; or
 - (c) gross negligence; and
 - (d) the Participant does not breach any post-termination restrictions (**Good Leaver**); or
- (ii) 90 days after the date of death or disability of the Participant (where the disability is such that the Participant is unable to perform normal duties in the opinion of a medical practitioner nominated by the Board); or
- (iii) immediately if:
 - (a) the Participant's lawful termination was not as a Good Leaver; or
 - (b) the Participant resigned from the Board, employment or consultancy with the Company; or
 - (c) the Participant was made redundant; or
 - (d) the Participant loses control of its permitted nominee and the Awards are not transferred to the Participant.

(g) **Cash Rights and Deferred Option Awards**

Subject to the terms and conditions of the offer, a Participant may elect to receive deferred option awards in lieu of all or a percentage of its cash rights. Such election must be made by giving written notice to the Company within 5 business days of receiving a vesting notification.

(h) **Share Appreciation Rights**

If a Participant exercises its share appreciation rights, subject to the terms and conditions of the offer, the Board will choose, in its sole and absolute discretion, one of the two following methods (or a combination of both) to realize the value of each of the exercised share appreciation rights.

- (i) A cash payment to the Participant of the Appreciation Value (less any tax or statutory superannuation) of the exercised share appreciation right (**Cash Settled**).
- (ii) An allotment and issuance, or transfer of, the number of Shares to the Participant equal in value to the Appreciation Value, calculated when the share appreciation right is exercised (**Equity Settled**). Fractions of a Share are disregarded.

(i) **Options – Fractional Exercise Facility**

Under the terms of the Plan, a Participant may request to pay the exercise price for an Option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise (Fractional Exercise Facility). By using the Fractional Exercise Facility, the holder will receive Shares to the value of the surplus after the exercise price has been set off. Any such request must be expressly made by the Participant in the exercise notice. The Board may approve or refuse the request in its sole and absolute discretion.

If the difference between the total exercise price otherwise payable and the then market value of Shares at the time of exercise is zero or negative, the Participant is not eligible to use the Fractional Exercise Facility.

(j) **Participation Rights**

Holders of Awards issued under the Plan are not entitled to participate or attend a meeting of the Shareholders of the Company or receive any dividends declared by the Company until the Award is exercised or converted and the Participant holds Shares as a result of the exercise or conversion.

An Award does not confer on a Participant the right to participate in new issues of Shares by the Company (including by way of bonus issue, rights issue or otherwise).

(k) **Clawback**

If the Board becomes aware of a material misstatement in the Company's financial statements or some other event occurred which, as a result, means the vesting conditions in respect of certain vested Awards were not, or should not, have been determined to have been satisfied, the Participant will cease to be entitled to those vested Awards.

(l) **Variation of Capital**

If the event of any variations to the share capital of the Company, the Board may adjust the exercise price (if applicable) and the number of Awards to which a Participant is entitled in accordance with the ASX Listing Rules. In doing so, the Board may make any adjustments it deems necessary or desirable to ensure the consequences of the adjustments are fair as between the Participants and the holders of other securities in the Company, subject to the ASX Listing Rules.

(m) **Fraudulent Behaviour**

If, in the opinion of the Board, a Participant has acted fraudulently or dishonestly, or is in material breach of his duties or obligations to the Company or its subsidiaries, the Board may determine that any Award granted to that Participant should lapse, and the Award will lapse accordingly.

(n) **Change of Control Event**

On the occurrence of a change of control event, being, in general terms, an unconditional takeover bid under Chapter 6 of the Corporations Act, a court sanctioned scheme of arrangement or any other merger involving the Company occurs which results in the holders of Shares holding 50% or less of the voting shares in the Company, the Board may in its sole discretion determine that all or a percentage of unvested Awards will vest and become exercisable in accordance with the Plan rules.

(o) **Compliance with Laws**

Awards may not be granted, issued, acquired, transferred or otherwise dealt with under the Plan if to do so would contravene the Corporations Act or any other applicable laws or regulations.

The Plan contains customary and usual terms having regard to Australian law for dealing with administration (including taxation of Awards), variation and termination of the Plan.

Listing Rule 7.2, Exception 9(b)

Listing Rule 7.1 provides that a company must not, without shareholder approval, subject to certain exceptions, issue during any 12 month period any equity securities or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

Under Exception 9(b) in Listing Rule 7.2, shareholders may approve the issue of equity securities under an employee incentive scheme as an exception to Listing Rule 7.1. If such approval is obtained, Listing Rule 7.1 does not apply to an issue of equity securities in the Company made under an employee incentive plan within three years of the approval.

The grant of any securities to a director of the Company will require specific approval under Listing Rule 10.14.

GLOSSARY

\$ means Australian dollars.

Annual General Meeting means the meeting convened by the Notice of Annual General Meeting.

Annual General Meeting Explanatory Statement means the explanatory statement accompanying the Notice of Annual General Meeting.

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

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.

ASX Listing Rules means the Listing Rules of ASX.

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 Locality Planning Energy Holdings Limited (ACN 147 867 301).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

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.

Notice of Annual General Meeting means this notice of meeting including the Annual General Meeting Explanatory Statement

Option means an option to acquire a Share.

Resolution means a resolution set out in the Notice of Annual General Meeting.

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

Shareholder means a registered holder of a Share.