
LOCALITY PLANNING ENERGY HOLDINGS LIMITED

ACN 147 867 301

NOTICE OF GENERAL MEETING

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

TIME: 10.00am (AEST)

DATE: Tuesday, 23rd April 2024

PLACE: Locality Planning Energy Holdings Limited
Bluewater Boardroom, Foundation Place
Level 8, 8 Market Lane
Maroochydore QLD 4558

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10.00am on 21 April 2024.

LOCALITY PLANNING ENERGY HOLDINGS LIMITED

ACN 147 867 301

NOTICE OF GENERAL MEETING

Tuesday, 23rd April 2024

Notice is hereby given that a General Meeting of Shareholders (**Meeting**) of Locality Planning Energy Holdings Limited (**Company** or **LPE**) will be held on **Tuesday, 23rd April 2024** at 10.00am (AEST) at Locality Planning Energy Holdings Limited, Bluewater Boardroom, Foundation Place, Level 8, 8 Market Lane, 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 Meeting. Please ensure you read the Explanatory Statement in full.

AGENDA

1. RESOLUTION 1 – APPROVAL TO ISSUE SECURITIES UNDER THE EMPLOYEE INCENTIVE PLAN

To consider and, if thought fit, to pass 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 issue up to 15,000,000 securities under the Company’s Employee Incentive Plan on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of a person who is eligible to participate in the employee incentive plan, or any associates of that person or those persons.

However, this does not apply to a vote cast in favour of a 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.

2. RESOLUTION 2 – APPROVAL OF GRANT OF UNLISTED OPTIONS | MR. SIMON TILLEY

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

“That approval is given, for the purposes of ASX Listing Rule 10.14 and for all other purposes, for the grant of 13,207,548 Unlisted Options to Mr. Simon Tilley (or his nominee), on the terms and conditions as set out in the Explanatory Statement.”

Voting Exclusion Statement: In accordance with the *Corporations Act 2001* (Cth) and the ASX Listing Rules, the Company will disregard any votes on Resolution 2:

- cast in favour of the resolution by or on behalf of Mr. Tilley (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or associates of those persons, regardless of the capacity in which the vote is cast; or
- cast by a person who is a member of the Company's key management personnel (KMP) on the date of the meeting or their closely related parties.

However, the Company need not disregard a vote if it is cast:

- by a person as a proxy or attorney for a person who is entitled to vote in accordance with a direction given to the proxy or attorney to vote on the Resolution in that way, or
- by the Chairman of the meeting as proxy or attorney for a person who is entitled to vote, in accordance with the express authorisation to exercise undirected proxies as the Chairman decides; or
- by 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 given by the beneficiary to the holder to vote in that way.

3. RESOLUTION 3 – APPROVAL OF GRANT OF UNLISTED OPTIONS | MR. STAN KOLENC

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

“That approval is given, for the purposes of ASX Listing Rule 10.14 and for all other purposes, for the grant of 13,207,548 Unlisted Options to Mr. Stan Kolenc (or his nominee), on the terms and conditions as set out in the Explanatory Statement.”

Voting Exclusion Statement: In accordance with the *Corporations Act 2001* (Cth) and the ASX Listing Rules, the Company will disregard any votes on Resolution 3:

- cast in favour of the resolution by or on behalf of Mr. Kolenc (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or associates of those persons, regardless of the capacity in which the vote is cast; or
- cast by a person who is a member of the Company's key management personnel (KMP) on the date of the meeting or their closely related parties.

However, the Company need not disregard a vote if it is cast:

- by a person as a proxy or attorney for a person who is entitled to vote in accordance with a direction given to the proxy or attorney to vote on the Resolution in that way, or
- by the Chairman of the meeting as proxy or attorney for a person who is entitled to vote, in accordance with the express authorisation to exercise undirected proxies as the Chairman decides; or
- by 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 given by the beneficiary to the holder to vote in that way.

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 10.00am on 21 April 2024

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 complete and sign the enclosed Proxy Form and return **no later than 48 hours before the commencement of the meeting which is at 10.00am (AEST) on Tuesday, 23 April 2024**. Proxies received after this time will **not** be effective for the scheduled meeting.

Completed Proxy Forms may be lodged:

By mail to:	Locality Planning Energy Holdings Limited c/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia
By fax to:	+61 2 9287 0309
In Person* at:	Link Market Services Limited Parramatta Square Level 22, Tower 6, 10 Darcy Street Parramatta NSW 2150 * during business hours Monday to Friday (9.00am – 5.00pm)
Online:	By following the instructions on our Investor Centre website Login via https://investorcentre.linkgroup.com

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

The Chairman of the meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the Shareholder who has lodged the proxy has given express voting direction to the Chairman to exercise the undirected proxy. If you complete a proxy form that authorises the Chair of the meeting to vote on your behalf as proxy, and you do not mark any of the boxes as to give the Chair directions on how your vote should be cast, then you will have been taken to have expressly authorised the Chairman to exercise your proxy on resolutions 1 to 3 inclusive. In accordance with this express authority provided by you, the Chairman will vote in favour of resolutions 1 to 3 inclusive. If you wish to appoint the Chairman of the meeting as your proxy, and you wish to direct them on how to vote, please tick the appropriate boxes on the form.

Questions and Comments from Shareholders

A reasonable opportunity will be given to Shareholders to ask questions at the meeting.

Shareholders may also submit written questions to the Company in advance of the meeting by email to the Company Secretary at investors@localityenergy.com.au.

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

Dated: 20 March 2024

By order of the Board

Elissa Hansen
Company Secretary

GENERAL MEETING EXPLANATORY STATEMENT

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

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. RESOLUTION 1 – APPROVAL TO ISSUE SECURITIES UNDER THE EMPLOYEE INCENTIVE PLAN

Resolution 1 seeks Shareholder approval for the issue of up to 15 million securities under Company's employee equity incentive scheme titled Employee Incentive Plan over a three (3) year period in accordance with ASX Listing Rule 7.2 (Exception 13(b)).

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 7.7 million securities).

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.

1.1 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the Company will be able to issue up to 10 million securities under the Employee Incentive 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 1 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.

1.2 Additional Information

Shareholders should note that:

- (a) the maximum number of securities to be issued under the Plan in the three (3) year period following the date of this Meeting is 15 million. It is not envisaged that the maximum number of Securities for which approval is sought will be issued immediately;
- (b) 9,327,514 securities have been issued under the Plan since it was approved by Shareholders at the 2020 Annual General Meeting.

The objective of the Equity Incentive 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 A. In addition, a copy of the Employee Incentive Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Equity Incentive Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

2. RESOLUTIONS 2 & 3– APPROVAL OF GRANT OF UNLISTED OPTIONS

2.1 General

Resolutions 2 and 3 seek shareholder approval for the issue of 13,207,548 unlisted options exercisable at \$0.08 and expiring two (2) years from the date of approval (this Meeting) (**Unlisted Options**) pursuant to ASX Listing Rule 10.11 to each non-executive director, Mr. Simon Tilley and Mr. Stan Kolenc, or their nominees. The grant of options is to recognise Messrs. Tilley and Kolenc's contribution to the business, to further align his interests with those of shareholders and in consideration for directors' fees payable to each of the Directors. Neither Director is currently paid directors' fees and they will continue to waive their fees for another year upon approval of the issue of the Unlisted Options.

The Board chose to compensate Messrs. Tilley and Kolenc with an issue of Unlisted Options to control the Company's administration fees and limit the cash expenses of the business. The Board notes that the budgeted cash director fees for FY2024 were \$444,000 per annum (including executive and non-executive directors) prior to the recently announced board restructuring. After this board restructuring, and including a continued waiver of director fees by Messrs. Tilley and Kolenc, the cash director fees will be reduced to below \$150,000 for FY2025.

2.2 Technical information required by Listing Rule 14.1A

If Resolution 2 and/or 3 are passed, the Company will be able to grant 13,207,548 Unlisted Options to each of Messrs. Tilley and Kolenc to appropriately reward them for his contribution to the Company, focus their efforts on delivering long-term value for shareholders and in consideration for directors' fees. These will not reduce the Company's placement capacity to issue additional securities.

If Resolution 2 and/or 3 are not passed, the Company will not be able to grant the Unlisted Options to Messrs. Tilley and/or Kolenc and directors may not continue to waive their directors' fees and the Company may need to pay Messrs. Tilley and Kolenc their directors' fees.

2.3 C Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act. Section 211 of the Corporations Act says member approval is not needed to give a financial benefit if the benefit is remuneration to a related party as an officer or employee of a public company and to give the remuneration would be reasonable given the circumstances. Accordingly, the Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Unlisted Options, the subject of Resolutions 2 and 3 because the Unlisted Options are to be issued in consideration of reasonable remuneration, a carve out to the requirement for Shareholder approval under section 210 of the Corporations Act.

2.4 ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that, unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to (using the ASX Listing Rule 10.11 numbering):

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholder,

unless it obtains the approval of its shareholders.

The issue of Unlisted Options fall within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. They therefore require the approval of shareholders under Listing rule 10.11.

2.5 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 2 and 3:

- (a) the Unlisted Options are to be issued to Messrs. Tilley and Kolenc (or their nominees) who are related parties under Listing Rule 10.11.1 by virtue of being a director of the Company;
- (b) the maximum number of securities to be issued are 13,207,548 Unlisted Options to Mr. Tilley and 13,207,548 Unlisted Options to Mr. Kolenc;
- (c) the Unlisted Options are exercisable at \$0.08 per option and expire two (2) years from Grant (Shareholder approval) on 23 April 2026. The terms of the Unlisted Options are set out in Appendix A;
- (d) the Unlisted Options are expected to be issued as soon as possible following this Meeting but will be issued no later than one month after the meeting and it is intended that issue of Unlisted Options will occur on the same date;
- (e) the Unlisted Options will be issued for nil consideration and no funds will be raised from the issue of Unlisted Options however, exercise monies received on exercise of the Unlisted Options will be used for general working capital;
- (f) Messrs. Tilley and Kolenc do not currently receive any remuneration for their roles as Non-Executive Directors of the Company as they have waived their Directors' fees and will continue to waive their fees for another year should the Unlisted Options be granted to them. The Unlisted Options are valued by the Directors at \$70,000, being equal to the remuneration they would receive as non-executive directors in accordance with the Company's current remuneration practices.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Unlisted Options to Messrs. Tilley and Kolenc as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Unlisted Options, the subject of this resolution, will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

GLOSSARY

\$ means Australian dollars.

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.

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

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.

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

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

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice of General Meeting.

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

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

Shareholder means a registered holder of a Share.

Appendix A

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:
 - (g) serious and willful misconduct;
 - (h) a material breach of the terms of employment or engagement; or
 - (i) gross negligence; and
 - (j) 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.

Appendix B

TERMS AND CONDITIONS OF UNLISTED OPTIONS

(a) **Entitlement**

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 \$0.08 (**Exercise Price**).

(c) **Expiry Date**

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

(d) **Exercise Period**

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**

The Unlisted Options are not transferrable.

(m) **ASX Listing**

The Unlisted Options will not be quoted on ASX.



LOCALITY PLANNING ENERGY HOLDINGS LIMITED

ABN 90 147 867 301

LODGE YOUR VOTE



ONLINE

<https://investorcentre.linkgroup.com>



BY MAIL

Locality Planning Energy Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150



ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Locality Planning Energy Holdings Limited and entitled to participate in and vote hereby appoint:

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **10:00am (AEST) on Tuesday, 23 April 2024 at Locality Planning Energy Holdings Limited, Bluewater Boardroom, Foundation Place, Level 8, 8 Market Lane, Maroochydore QLD 4558 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 2 & 3: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 2 & 3, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

For Against Abstain*

1 Approval to issue securities under the Employee Incentive Plan

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

2 Approval of grant of unlisted options – Mr. Simon Tilley

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

3 Approval of grant of unlisted options – Mr. Stan Kolenc

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

LPE PRX2401C

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to participate in the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to participate in the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (AEST) on Sunday, 21 April 2024**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

<https://investorcentre.linkgroup.com>

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Locality Planning Energy Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

*During business hours Monday to Friday (9:00am - 5:00pm)

**IF YOU WOULD LIKE TO PARTICIPATE IN AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**