

**LOCALITY PLANNING ENERGY HOLDINGS
LIMITED**
ACN 147 867 301

**NOTICE OF ANNUAL GENERAL MEETING
AND
EXPLANATORY MEMORANDUM**

Date of Meeting: Monday 27 November 2017
Time of Meeting: 12:00pm (Australian Eastern Standard Time)
Place of Meeting: Kon-Tiki Business Centre, Tower 1, Suite 306,
55-59 Plaza Parade, Maroochydore,
Queensland

NOTICE OF MEETING AND EXPLANATORY MEMORANDUM

LOCALITY PLANNING ENERGY HOLDINGS LIMITED

ACN 147 867 301

Notice is hereby given that the Annual General Meeting (**Meeting**) of shareholders of **LOCALITY PLANNING ENERGY HOLDINGS LIMITED (Company)** will be held as follows:

Date of Meeting:	Monday 27 November 2017
Time of Meeting:	12:00pm (Australian Eastern Standard Time)
Place of Meeting:	Kon-Tiki Business Centre, Tower 1, Suite 306, 55-59 Plaza Parade, Maroochydore, Queensland

The Explanatory Memorandum and Proxy Form accompanying this Notice of Meeting are incorporated in and comprise part of this Notice of Meeting.

AGENDA

ORDINARY BUSINESS

1. Accounts and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017, together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report, each for the year ended 30 June 2017.

No resolution is required for this item.

2. Resolution 1 – Remuneration Report

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

“That, for the purposes of section 250R(2) of the Corporations Act 2001 (Cth) and for all other purposes, the Remuneration Report for the financial year ending 30 June 2017 be adopted.”

Note: the vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

NOTICE OF MEETING AND EXPLANATORY MEMORANDUM

LOCALITY PLANNING ENERGY HOLDINGS LIMITED

ACN 147 867 301

Voting Exclusion Statement:

Pursuant to Section 250R(4) of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel details of whose remuneration is included in the Remuneration Report; and/ or
- (b) a Closely Related Party of such a member of the KMP.

Proxy Appointment Restriction:

However, the above persons may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution (directed proxy); or
- (b) the voter is the Chair and the appointment of the chair as proxy:
 - does not specify the way the proxy is to vote on the resolution; and
 - expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

3. Resolution 2 – Election of Director

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

“That, for the purpose of rule 14.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Ben Chester, a Director, who retires by rotation in accordance with rule 14.2 of the Constitution, and being eligible, is re-elected as a Director.”

NOTICE OF MEETING AND EXPLANATORY MEMORANDUM

LOCALITY PLANNING ENERGY HOLDINGS LIMITED

ACN 147 867 301

SPECIAL BUSINESS

4. Resolution 3 – Ratification of Placement of Shares

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

“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 289,000,000 fully paid ordinary shares on 22 February 2017 to institutional, professional and sophisticated investors (“Placement Shares”), further details of which are set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Voting Exclusion Statement:

In accordance with Listing Rule 14.11 the Company will disregard any votes cast on Resolution 3 by:

- (c) any of the institutional, professional and sophisticated investors who participated in the issue of the Placement Shares; and/or
- (d) any associate of any of the institutional, professional and sophisticated investors who participated in the issue of the Placement Shares.

Proxy Appointment Restriction:

However, the Company need not disregard a vote if:

- (e) it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (f) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

NOTICE OF MEETING AND EXPLANATORY MEMORANDUM

LOCALITY PLANNING ENERGY HOLDINGS LIMITED

ACN 147 867 301

OTHER BUSINESS

5. Other business

To consider any other business that may lawfully be brought forward.

The Explanatory Memorandum which accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered. Shareholders should read the Explanatory Memorandum in full.

By Order of the Board of Directors



Bill Lyne
Company Secretary

Dated: 25 October 2017

NOTICE OF MEETING AND EXPLANATORY MEMORANDUM

LOCALITY PLANNING ENERGY HOLDINGS LIMITED

ACN 147 867 301

IMPORTANT INFORMATION

1. ENTITLEMENT TO VOTE

For the purpose of determining entitlements to vote at the Meeting, those shareholders holding shares of the Company at 7:00pm (Australian Eastern Daylight Time) on Friday 24 November 2017 will be voting shareholders at the Meeting. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

2. QUESTIONS FROM SHAREHOLDERS

At the Meeting, the Chairman will allow a reasonable opportunity for shareholders to ask questions and make comments on the management of the Company and the Remuneration Report.

A representative of Bentleys Brisbane, as the auditor responsible for preparing the auditor's report for the year ended 30 June 2017 will attend the Meeting. The Chairman will also allow a reasonable opportunity for shareholders to ask the auditor questions about:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

3. Appointment of Proxy

Shareholders entitled to attend and vote at the Meeting are entitled to appoint a proxy. The proxy may be an individual or a body corporate.

A shareholder who is unable to attend and vote at the Meeting may appoint a proxy by completing and returning the attached proxy form in the manner provided below.

If a shareholder wishes to appoint a proxy, and is entitled to cast two or more votes, then the shareholder may appoint two proxies, and may specify the proportion or number of votes each proxy may cast. If a shareholder appoints two proxies and the appointment does not specify the proportion or number of the shareholder's votes such proxy may exercise, each proxy may exercise half of the votes disregarding fractions.

A proxy form (and the power of attorney (if any) under which it is signed) must be received at the following addresses not less than 48 hours before the time of commencement of the holding of the Meeting at which the proxy named in the proxy form proposes to vote (ie no later than 12:00pm (Australian Eastern Standard Time) on Saturday 25 November 2017):

NOTICE OF MEETING AND EXPLANATORY MEMORANDUM

LOCALITY PLANNING ENERGY HOLDINGS LIMITED

ACN 147 867 301

- by mail:
 - Advanced Share Registry
PO Box 1156
Nedlands WA 6909

- email:
 - admin@advancedshare.com.au

A proxy must be signed by the shareholder or the shareholder's attorney duly authorised in writing or, if the shareholder is a company, in a manner permitted by the *Corporations Act 2001* (Cth) (**Corporations Act**). The proxy may, but need not, be a shareholder.

A Proxy Form accompanies this Notice of Meeting. Additional proxy forms are available on request from the Company.

If you appoint the Chairman of the Meeting as your proxy and:

- you do not specify in the proxy form the manner in which you wish the Chairman to vote on the resolutions to be considered at the Meeting, the Chairman intends to vote in favour of all resolutions. **If you do not direct the Chairman how to vote on Resolution 1, you expressly authorise the Chairman to exercise your proxy on Resolution 1 even though it is connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chairman;** and
- you wish to direct the Chairman how to vote on some or all of the resolutions to be considered at the Meeting, you must complete the directed proxy part of the proxy form.

If a body corporate is appointed as a proxy, the appointment of a body corporate representative must be produced at the Meeting. A shareholder which is a body corporate and which is entitled to attend and vote at the Meeting, or a proxy which is a body corporate and which is appointed by a shareholder entitled to attend and vote at the Meeting, may appoint a person to act as its representative in accordance with section 250D of the Corporations Act. The representative must present satisfactory evidence of his or her appointment prior to admission to the Meeting.

EXPLANATORY MEMORANDUM

LOCALITY PLANNING ENERGY HOLDINGS LIMITED

ACN 147 867 301

This Explanatory Memorandum has been prepared for the information of shareholders in the Company in connection with the business to be considered at the Meeting to be held at 12:00pm (Australian Eastern Standard Time) on Monday 27 November 2017 at Kon-Tiki Business Centre, Tower 1, Suite 306, 55-59 Plaza Parade, Maroochydore, Queensland.

This Explanatory Memorandum comprises part of the accompanying Notice of Meeting.

Details of the business to be considered at this Meeting are set out below. The purpose of this Explanatory Memorandum is to provide shareholders with information which may be relevant to the resolutions to be put to shareholders at the Meeting.

ORDINARY BUSINESS

1. Item 1 - Accounts and Reports

The first item on the Notice of Meeting deals with the presentation of the Company's Annual Financial Report for the financial year ending 30 June 2017. Shareholders should consider this document and raise any matters of interest with the Directors when this item is being considered.

The Company's Annual Financial Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Statements of Comprehensive Income, Financial Position, Changes in Equity and Cash Flows, and Notes to the Financial Statements for the Company and its controlled entities for the financial year ended 30 June 2017 has been despatched to Shareholders who requested a copy and released on the ASX. The Report is also available on the Company's website at www.localityenergy.com.au

The Corporations Act requires the reports of the directors and auditor, and the annual financial report, including the financial statements of the Company for the year ended 30 June 2017, to be tabled at the Meeting.

Neither the Corporations Act nor the Company's constitution requires shareholders to vote on the reports or financial statements. However, shareholders will be given reasonable opportunity to ask questions and make comment on the reports, and to ask questions of the Company's auditor.

No resolution is required to be moved in respect of this item.

2. Resolution 1 - Remuneration Report

During this item of business, shareholders may comment on and ask questions about the Remuneration Report, which forms part of the Directors' Report included in the Company's 2017 Annual Report.

NOTICE OF MEETING AND EXPLANATORY MEMORANDUM

LOCALITY PLANNING ENERGY HOLDINGS LIMITED

ACN 147 867 301

Section 300A of the Corporations Act requires the Director's Report to include a remuneration report containing information about the Board's policy for determining the nature and amount of the remuneration of directors and senior management. The report must also explain the relationship between the remuneration policy and the Company's performance. The disclosure requirements stipulated in section 300A of the Corporations Act have been complied with.

Resolution 1 proposes the adoption of the Remuneration Report. Sections 250R(2) and (3) of the Corporations Act provide that the resolution to adopt the Remuneration Report is advisory only and does not bind the Company or the Board.

The Corporations Act provides that if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the company's Directors (other than the Managing Director) who were in office at the date of the approval of the applicable Directors' Report must stand for re-election.

The resolution to approve the Remuneration Report for 2016 was approved at the last Annual General Meeting, which was held on 28 November 2016.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

3. Resolution 2 - Election of Director

The second item of business of the Meeting relates to the election of a Director.

Rule 14.2 of the Constitution provides that at every Annual General Meeting of the Company one third of the Directors, other than the Managing Director, must retire from office. If the number of Directors is not a multiple of three, Rule 14.2 requires that that number of Directors nearest to, but not less than, one third of the Directors (other than the Managing Director) must retire from office.

Mr Ben Chester retires by rotation and, being eligible, offers himself for re-election.

Mr Ben Chester is co-founder and Chief Operating Officer of Locality Planning Energy. He has 8 years' experience in large scale development and deployment of energy assets, along with energy to market strategy. He spent 4 years with an ASX listed company specialising in renewable projects, as the principal design and projects engineer for several commercial and utility scale deployments.

NOTICE OF MEETING AND EXPLANATORY MEMORANDUM

LOCALITY PLANNING ENERGY HOLDINGS LIMITED

ACN 147 867 301

Ben has contributed to several Australian, State and Federal Government advisory panels and with the Thailand Government on generation, deployment strategies and network integration.

Ben is an architect of designing the electricity retail model that successfully enabled LPE to obtain its Australian Energy Regulator Authorisation, and is listed as the Chief Operating Officer for the functional and compliance components of the Australian Energy Regulators authorisation to retail electricity.

The Directors, excluding Mr Ben Chester, unanimously recommend that Shareholders vote in favour of this Resolution.

SPECIAL BUSINESS

4. Resolution 3 – Ratification of Placement of Shares

4.1 Introduction

On 15 February 2017 the Company announced that it has raised a total of \$5.78m through a placement of 289,000,000 shares at 2 cents each (“Placement Shares”). The Placement Shares were issued on 22 February 2017.

The purpose of Resolution 3 is for Shareholders to ratify, pursuant to Listing Rule 7.4, the issue of the Placement Shares which would otherwise count toward the Company’s 15% capacity under Listing Rule 7.1.

4.2 Listing Rule 7.1 - Issues exceeding 15% of capital

Listing Rule 7.1 prohibits a listed company, except in certain cases, from issuing in any 12 month period new Equity Securities equivalent in number to more than 15% of the total number of ordinary securities on issue at the beginning of the twelve month period (“15% Capacity”) without either the prior approval of a majority of disinterested shareholders, or the issue otherwise falling within one of the prescribed exceptions to Listing Rule 7.1.

Listing Rule 7.4 provides that where a company ratifies an issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing the Company’s 15% Capacity and enabling it to issue further securities in the future up to this limit without prior shareholder approval.

The issue of securities detailed in Resolution 3 (the Placement Shares) did not exceed the 15% Capacity threshold when those shares were issued. However, the Company seeks to utilise Listing Rule 7.4 so that the Placement Shares do not take up any of the Company’s 15% Capacity.

NOTICE OF MEETING AND EXPLANATORY MEMORANDUM

LOCALITY PLANNING ENERGY HOLDINGS LIMITED

ACN 147 867 301

Accordingly, Resolution 1 proposes the ratification of the issue of the Placement Shares for the purposes of Listing Rule 7.4.

The information required to be provided to shareholders to satisfy Listing Rule 7.4 is specified in Listing Rule 7.5. In accordance with Listing Rule 7.5, Shareholders are advised of the following particulars in relation to the issue of the Placement Shares:

(a) **Date of issue**

22 February 2017

(b) **Number of securities issued**

289,000,000 shares

(c) **Issue price per security**

\$0.02

(d) **Terms of securities issued**

Fully paid ordinary shares ranking pari passu with all other fully paid ordinary shares on issue in the Company.

(e) **Persons to whom securities were issued or basis on which allottees were determined**

The Placement Shares were issued to a number of institutional, professional and sophisticated investors.

None of these investors were a Related Party of the Company.

(f) **Use of funds raised by the issue**

Funds raised from the issue of the Placement Shares were used by the Company to:

- convert strata title communities 'under contract' to 'under management' in relation to the supply of electricity;
- provide additional working capital to accelerate the Company's growth strategy.

(g) **Voting Exclusion Statement**

A voting exclusion statement is included in the Notice of Meeting for Resolution 3.

4.3 Directors' Recommendation:

The Board unanimously recommends that Shareholders (who are eligible to vote on this Resolution) vote in favour of Resolution 3.

LODGE YOUR VOTE ONLINE



ONLINE VOTE

www.advancedshare.com.au/investor-login



MOBILE DEVICE VOTE

Lodge your proxy by scanning the QR code below, and enter your registered postcode.


It is a fast, convenient and a secure way to lodge your vote.

VOTING/PROXY FORM

I/We being shareholder(s) of Locality Planning Energy Holdings Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chairman of the meeting **OR**

 **PLEASE NOTE:** If you leave the section blank, the Chairman of the Meeting will be your proxy.


If no individual(s) or body corporate(s) is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting 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 law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at **Kon-Tiki Business Centre, Tower 1, Suite 306, 55-59 Plaza Parade, Maroochydore, Queensland on Monday 27 November 2017 at 12:00 pm (AEST)** and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 1 (except where I/we have indicated a different voting intention below) even though this Item is connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chairman. The Chairman of the Meeting intends to vote all undirected proxies available to him in favour of each Item of Business.

VOTING DIRECTIONS

Agenda Items

		For	Against	Abstain*
1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Election of Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Ratification of Placement of Shares	<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, all the shareholders should 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).

Email Address

Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

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

CHANGE OF ADDRESS

Your address as it appears on 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.

APPOINTMENT OF A PROXY

If you wish to appoint the Chairman as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman will be your proxy.

DEFAULT TO THE CHAIRMAN OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not vote on a poll in accordance with your directions or does not attend the Meeting, then the proxy appointment will automatically default to the Chairman of the Meeting, who is required to vote the proxies as directed.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on 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 a given item, your proxy may vote as they choose to the extent they are able. If you mark more than one box on an item, your vote on that item will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chairman) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Item 1, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Item 1.

PLEASE NOTE: If you appoint the Chairman as your proxy (or if they are appointed by default) but do not direct them how to vote on an item (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that item), you will be expressly authorising the Chairman to vote as they see fit on that item.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each 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
- Return both forms together.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or 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 sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR VOTE

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 12:00pm (AEST) on Saturday, 25 November 2017, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



ONLINE VOTE

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 9262 3723



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033