

Board Charter

1. Purpose

The Board is responsible for the overall governance of Locality Planning Energy Holdings Limited (LPE). This Board Charter (Charter) sets out the role, responsibilities, structure, and processes of the Board of LPE.

In carrying out the responsibilities and powers set out in this Charter, the board of directors of the Company (**the Board**):

- a) recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of its shareholders; and
- b) recognises its duties and responsibilities to its employees, stakeholders, and the community.

2. The specific responsibilities of the Board

In addition to matters it is expressly required by law to approve, the Board has the following responsibilities:

- a) Appointment of the Chief Executive Officer/Managing Director and other senior executives and the determination of their terms and conditions including remuneration and termination.
- b) Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance.
- c) Compliance with all relevant applicable laws, regulations and Company policies.
- d) The effectiveness and adequacy of relevant internal control processes.
- e) Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance.
- f) Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures.
- g) Approving and monitoring the budget and the adequacy and integrity of financial and other reporting.
- h) Approving the annual and half yearly accounts.
- i) Approving significant changes to the organisational structure.
- j) Approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with ASX Listing Rules).
- k) Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making.
- l) Recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the Corporations Act).

- m) Meeting with the external auditor, at their request, with or without management being present.

3. Composition of the Board

- a) The composition of the Board is to be reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.
- b) In appointing new members to the Board, consideration is given to the ability of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.
- c) Where practical, at least 50% of the Board will be independent. An independent Director is one who is independent of management and free from any business or other relationship, which could, or could reasonably be perceived to, materially interfere with the exercise of independent judgement. Independent Directors should meet the factors of what constitutes independence as set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations as set out in Annexure A.
- d) Directors must enter into written letters of appointment with the Company.
- e) Directors must disclose their interests. The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them.
- f) Directors are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or active conflicts of interest.
- g) Directors must declare immediately to the Board, and the Board will determine whether to declare to the market any loss of independence.
- h) In accordance with the Company's constitution, no member of the Board may serve for more than three years or past the third annual general meeting following their appointment, whichever is the longer, without being re-elected by the shareholders.
- i) Prior to the Board proposing re-election of non-executive Directors, their performance will be evaluated to ensure that they continue to contribute effectively to the Board.
- j) The Board should comprise Directors with a mix of qualifications, experience and expertise that will assist the Board in fulfilling its responsibilities, as well as assisting the Company in achieving growth and delivering value to shareholders.

4. Roles and Responsibilities

4.1 Roles and Responsibilities of the Chairman

Where practical, the Chair should be a non-executive Director. If the Chair ceases to be an independent Director, then the Board will consider appointing a lead independent Director.

- a) Where practical, the Chief Executive Officer/Managing Director should not be the Chair of the Company during their term as Chief Executive Officer/Managing Director or in the future.
- b) The Chair must be able to commit the time to discharge the role effectively.

- c) The Chair is responsible for the leadership of the Board, ensuring it is effective, setting the agenda of the Board, conducting the Board meetings and conducting the shareholder meetings.
- d) The Chair should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management.
- e) If the Chair is absent from a meeting of the Board or shareholders, then the Board shall appoint a Chair for that meeting.

4.2 Role and Responsibilities of Management

The role of management is to manage and control the day to day operation of the Company. To do so, management is responsible for:

- a) Implementing the strategies, plans and budgets approved by the Board.
- b) Operating within the risk appetite approved by the Board.
- c) Providing the Board with timely, accurate and clear information to enable the Board to perform its responsibilities.

4.3 Roles and Responsibilities of the Company Secretary

- a) The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
- b) The Company Secretary facilitates the flow of information of the Board, between the Board and its Committees and between senior executives and non-executive Directors.
- c) The Company Secretary together with the Chair, facilitates the induction of new Directors in accordance with the Remuneration and Nomination Committee Charter.
- d) The Company Secretary together with the Head of Risk and Compliance is to facilitate the implementation of Board policies and procedures.
- e) The Company Secretary together with the Head of Risk and Compliance is to provide advice to the Board on corporate governance matters, the application of the Company's Constitution, the ASX Listing Rules and other applicable laws.
- f) All Directors have access to the advice and services provided by the Company Secretary.
- g) The Board has the responsibility for the appointment and removal of the Company Secretary.

4.4 Other Roles and Responsibilities

4.4.1 Internal Audit Function

- a) Monitor and assess the need for a formal internal audit function and its scope.
- b) Assess the performance and objectivity of any internal audit procedures that may be in place.
- c) Review risk management and internal compliance procedures.

4.4.2 Risk Management

- a) Oversee the Company's risk management policy, systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.
- b) Review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

4.4.3 Other

- a) The Board will oversee the Company's Workplace Health and Safety Processes.
- b) The Board will oversee procedures for whistle-blower protection.
- c) As contemplated by the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, and to the extent that such deviation or waiver does not result in any breach of the law, the Board may approve any deviation or waiver from the Company's Code of Conduct. Any such waiver or deviation will be promptly disclosed where required by applicable law.
- d) Monitor related party transactions.

5. Delegations

The Board retains all rights and powers conferred upon it by the Constitution and by law which cannot be delegated. The Board may delegate their powers as they consider appropriate. However, ultimate responsibility for strategy and controls rests with the Board.

5.1 Delegation to Committees

The Board will establish Committees to assist it in carrying out its responsibilities. Current standing Committees established by the Board are:

- a) Audit and Risk Committee.
- b) Remuneration and Nomination Committee

Each of these Committees has its own written Charter setting out its role and responsibilities, composition, structure, membership requirements and the way the Committee is to operate. All Charters of these Committees are reviewed regularly and are available on the Company's website. The Chair of the Audit Committee cannot be the Chairman of the Company. The Board may also delegate specific functions to ad hoc Committees on an 'as needs' basis by resolution.

Members of Committees are appointed by the Board. The Board may appoint additional Directors to Committees or remove and replace members of Committees by resolution. The minutes of each Committee meeting shall be provided to the Board at the next occasion the Board meets following approval of the minutes of such Committee meeting.

6. Board Meetings

- a) There must be two Directors present at a meeting to constitute a quorum.
- b) The Board will schedule formal Board meetings at least quarterly and hold additional meetings, including by telephone, as may be required.
- c) Non-executive Directors may confer at scheduled times without management being present.
- d) The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chair and circulated to Directors prior to the next meeting.
- e) The Company Secretary shall distribute supporting papers for each meeting of the Board as far in advance as practicable.
- f) Further details regarding board meetings are set out in the Company's Constitution.

7. Access to Advice

- a) All Directors have unrestricted access to Company records and information except where the Board determines that such access would be adverse to the Company's interests.
- b) All Directors may consult management and employees as required to enable them to discharge their duties as Directors.
- c) The Board, Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chair. A copy of any such advice received is to be made available to all members of the Board.

8. Performance reviews

The Remuneration and Nomination Committee shall conduct a performance review of the Board, its committees, and individual Directors at times it considers appropriate that:

- a) Compares the performance of the Board with the requirements of the Charter.
- b) critically reviews the mix of the Board.
- c) Suggests any amendments to the Charter as are deemed necessary or appropriate.

9. Induction and Professional Development

As detailed in the Remuneration and Nomination Committee Charter, Directors participate in an induction program and are provided with continuing education and professional development opportunities.

10. Continuous Disclosure Policy

The Board should ensure that the Company has in place effective disclosure policies and procedures so that shareholders and the financial market are fully informed to the extent required by the applicable disclosure rules and legislation on matters that may influence the share price of the Company.

11. Independence of Directors

It is the intention of the Board of LPE that its composition should include an equal number of independent Non-executive Directors.

The Board has determined a definition of an independent Director based on the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, and the nature of LPE's operations and businesses.

An independent Director is a Director who is not a member of management (a Non-executive Director) and who is free of any interest, position, association or relationship that could materially influence, or could reasonably be perceived to materially influence, the independent exercise of their judgment.

To be considered independent by the Board, the Director should meet the following criteria:

- a) Is not a shareholder holding more than 5% of the Company's shares or an officer of, or otherwise associated directly or indirectly with, a shareholder holding more than 5% of the Company's shares.
- b) Is not or has not been employed in an executive capacity by LPE, or, if the Director was so employed, there was a period of at least 12 months between ceasing to hold any such employment and being first appointed to the Board.
- c) Is not or has not within the three years prior to being first appointed to the Board, been a partner, director, or senior employee of a material professional adviser of the Company or another group member. An adviser is a "material professional adviser" for purposes of this criterion if its billings to the Company exceed 5% of its total revenues in the period. A Director who is a partner, director or senior employee of a professional adviser will not participate in any consideration of the possible appointment of the professional adviser and will not participate in the provision of any service to the Company by the professional adviser.
- d) Has no other material contractual relationship with the Company or another group member other than as a Director of the Company.
- e) Has no interest or relationship that could influence in a material respect a Director's ability to act in the best interests of the Company.
- f) Has no close family ties with any person who falls within any of the categories described above. "Close family ties" include a spouse, child, stepchild, dependant or a family member who may be expected to influence, or be influenced by the Director in their dealings with LPE
- g) Has not been a Director of the Company for such a period that, in the opinion of the rest of the Board, his or her independence or performance may have been compromised.
- h) Directors will update the Board with any information in relation to interests or relationships relevant to their independence. Based on the information received, the Board will regularly assess the independence of each Non-executive Director and disclose the independence status of Directors in the Annual Report. The Director concerned will not participate in the determination of his/her own independence. If a Director's independence status changes, disclosure will be made to the ASX in a timely manner.