UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 24, 2021 (November 19, 2021)

LOCAL BOUNTI CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	001-40125	98-1584830
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

490 Foley Lane
Hamilton, MT 59840
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (406) 361-3711

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value of $0.0001 per share	**LOCL**	**New York Stock Exchange**
Warrants, each exercisable for one share of Common Stock for $11.50 per share	**LOCL WS**	**New York Stock Exchange**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Introductory Note

Due to the large number of events reported under the specified items of Form 8-K, this Current Report on Form 8-K is being filed in two parts. An amendment to this Form 8-K is being submitted for filing on the same date to include additional matters under Items 5.03 and 5.05 of Form 8-K.

The Domestication and Business Combination

On November 19, 2021 (the "Closing Date"), Local Bounti Corporation, a Delaware corporation (f/k/a Leo Holdings III Corp) (the "Company" or "New Local Bounti"), consummated the previously announced transaction (the "Business Combination") pursuant to that certain Business Combination Agreement and Plan of Reorganization, dated June 17, 2021 (the "Business Combination Agreement"), by and among the Company, Longleaf Merger Sub, Inc., a Delaware corporation and a direct, wholly owned subsidiary of the Company ("First Merger Sub"), Longleaf Merger Sub II, LLC, a Delaware limited liability company and a direct, wholly owned subsidiary of the Company ("Second Merger Sub" and, together with First Merger Sub, the "Merger Subs"), and Local Bounti Corporation, a Delaware corporation ("Legacy Local Bounti").

On November 19, 2021, as contemplated by the Business Combination Agreement and described in the section titled "The Domestication Proposal" beginning on page 102 of the final prospectus and definitive proxy statement, dated October 20, 2021 (the "Proxy Statement/Prospectus") and filed with the Securities and Exchange Commission (the "Commission") on October 20, 2021, the Company filed a notice of deregistration with the Cayman Islands Registrar of Companies, together with the necessary accompanying documents, and filed a certificate of incorporation and a certificate of corporate domestication with the Secretary of State of the State of Delaware, under which the Company was domesticated and continues as a Delaware corporation (the "Domestication").

Also on November 19, 2021, as a result of the Business Combination and the other transactions contemplated by the Business Combination Agreement, following the consummation of the Domestication (a) First Merger Sub merged with and into Legacy Local Bounti, with Legacy Local Bounti surviving the merger as a wholly owned subsidiary of the Company (the "First Merger") and (b) after the effectiveness of the First Merger, Legacy Local Bounti merged with and into Second Merger Sub with and into Legacy Local Bounti, with Second Merger Sub surviving the merger as a wholly owned subsidiary of the Company (the "Second Merger" and, together with the First Merger and all other transactions contemplated by the Business Combination Agreement, the "Business Combination").

Following the closing of the Business Combination, the Company will own, directly or indirectly, all of the issued and outstanding equity interests in the Second Merger Sub and its subsidiaries, and the stockholders of Legacy Local Bounti as of immediately prior to the effective time of the First Merger (the "Local Bounti Stockholders") hold a portion of our common stock, par value $0.0001 per share (the "Common Stock").

The aggregate merger consideration paid in connection with the Business Combination consisted of (i) 79,601,535 shares of Common Stock (including Class A Ordinary Shares, Class B Ordinary Shares, Legacy Local Bounti voting common stock and Legacy Local Bounti non-voting common stock that was converted into shares of Common Stock in connection with the Domestication and Business Combination, and shares issuable upon exercise or vesting of certain warrants, restricted stock units and Options (each as set forth below) but excluding the shares of Common Stock issued in the PIPE Financing (as defined below)), and (ii) 5,500,000 Public Warrants (as defined below).

Each share of Local Bounti voting common stock was cancelled and converted into the right to receive the applicable portion of the merger consideration comprised of New Local Bounti Common Stock, earnout shares (as described below) and up to $37.5 million of cash consideration (subject to certain conditions specified in the Merger Agreement), each as determined in the Merger Agreement, (ii) each share of Local Bounti restricted stock was cancelled and converted into the right to receive the applicable portion of the merger consideration comprised of New Local Bounti Common Stock and earnout shares (as described below), each as determined in the Merger Agreement, (iii) each Local Bounti restricted stock unit, whether or not then vested, was assumed by New Local Bounti and converted into a New Local Bounti restricted stock unit, subject to the same terms and conditions as applied to such Local Bounti restricted stock unit immediately prior to the Closing with a value as if such Local Bounti restricted stock unit were settled prior to the closing of the Business Combination and is entitled to receive earnout shares (as described below), and (iv) each warrant of Local Bounti that was unexercised was assumed by New Local Bounti and converted into a warrant to

purchase New Local Bounti Common Stock and represents the right to receive the applicable portion of the merger consideration upon exercise of such warrant as if such warrant were exercised prior to the closing of the Business Combination. In addition, all convertible debt of Local Bounti was fully converted into Local Bounti common stock as of immediately prior to the Closing and received New Local Bounti Common Stock based on the number of shares of Local Bounti common stock issuable upon conversion of such convertible debt as of immediately prior to the Closing. Each Local Bounti equityholder entitled to receive a portion of the earnout consideration will receive its applicable portion of equal thirds of 2,500,000 earnout shares if the trading price of New Local Bounti Common Stock is greater than or equal to $13.00, $15.00 and $17.00 for any 20 trading days within any 30-trading day period and will also accelerate and be fully issuable in connection with any Change of Control (as defined in the Merger Agreement) if the applicable thresholds are met in such Change of Control.

In connection with the consummation of the Business Combination (the "Closing"), the registrant changed its name from Leo Holdings III Corp to Local Bounti Corporation.

The foregoing description of the Business Combination does not purport to be complete and is qualified in its entirety by the full text of the Merger Agreement, which is attached hereto as Exhibit 2.1 and is incorporated herein by reference.

PIPE Financing

As previously disclosed, in connection with the execution of the Business Combination Agreement, the Company entered into subscription agreements, each dated June 17, 2021 or November 4, 2021 (the "Subscription Agreements"), with certain accredited investors pursuant to which the investors agreed to purchase 15,000,000 shares of Common Stock in a private placement for an aggregate purchase price of $150.0 million (the "PIPE Financing"). The PIPE Financing was consummated concurrently with the Closing.

Item 2.01 of this Current Report on Form 8-K discusses the Closing and various other transactions contemplated by the Business Combination Agreement, and is incorporated herein by reference.

Unless the context otherwise requires, references in this Current Report on Form8-K to "we," "us," "our" and the "Company" refer to New Local Bounti and its subsidiaries.

Item 1.01 Entry Into A Material Definitive Agreement.

Amended and Restated Registration Rights Agreement

In connection with the Closing, that certain Registration Rights Agreement, dated March 2, 2021, among the Company and certain persons and entities holding securities of the Company (the "IPO Registration Rights Agreement"), was amended and restated and the Company, certain persons and entities holding securities of the Company prior to the Closing (the "Initial Holders") and certain persons and entities receiving Common Stock or instruments exercisable for Common Stock in connection with the Business Combination (the "New Holders" and, together with the Initial Holders, the "Registration Rights Holders") entered into an amended and restated registration rights agreement substantially in the form attached to the Business Combination Agreement as Exhibit G (the "A&R Registration Rights Agreement"). Pursuant to the A&R Registration Rights Agreement, New Local Bounti agreed that, within 30 calendar days after the consummation of the Business Combination, New Local Bounti will file with the Commission (at New Local Bounti's sole cost and expense) a registration statement registering the resale of certain securities held by or issuable to the Registration Rights Holders (the "Resale Registration Statement"), and the Company will use its commercially reasonable best efforts to have the Resale Registration Statement declared effective as soon as reasonably practicable after the filing thereof. In certain circumstances, certain of the Registration Rights Holders can demand up to three underwritten offerings, and all of the Registration Rights Holders are entitled to customary piggyback registration rights. The A&R Registration Rights Agreement does not provide for the payment of any cash penalties by the Company if it fails to satisfy any of its obligations under the A&R Registration Rights Agreement.

The foregoing description of the A&R Registration Rights Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the A&R Registration Rights Agreement, a copy of which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Amended and Restated Warrant Agreement

On the Closing Date, in connection with the consummation of the Business Combination, the Company entered into an Amended and Restated Warrant Agreement (the "Amended and Restated Warrant Agreement") with Continental Stock Transfer & Trust Company ("Continental"), which was approved by Leo's shareholders at the special meeting of warrant holders on November 16, 2021. For the convenience of the reader, the description of New Local Bounti's redeemable warrants (the "Public Warrants") and the 5,333,333 warrants to purchase Common Stock of the Company that were issued in a private placement concurrently with the Leo's initial public offering (the "Private Warrants" and, together with the Public Warrants, the "Warrants") has been updated below to reflect the provisions of the Amended and Restated Warrant Agreement.

Public Warrants

Public warrants may only be exercised for a whole number of shares. No fractional public warrants will be issued upon separation of the units and only whole public warrants will trade. The public warrants will become exercisable on the later of (a) 30 days after the completion of the Business Combination (or any other initial business combination) and (b) 12 months from the closing of the initial public offering; provided in each case that we have an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), covering the New Local Bounti Common Stock issuable upon exercise of the public warrants and a current prospectus relating to them is available and such shares are registered, qualified or exempt from registration under the securities, or blue sky, laws of the state of residence of the holder (or we permit holders to exercise their warrants on a cashless basis under certain circumstances). We have agreed that as soon as practicable, but in no event later than 20 business days after the Closing, we will use commercially reasonable efforts to file with the SEC and have an effective registration statement covering the New Local Bounti Common Stock issuable upon exercise of the warrants and to maintain a current prospectus relating to the New Local Bounti Common Stock until the warrants expire or are redeemed, as specified in the Warrant Agreement. If a registration statement covering the New Local Bounti Common Stock issuable upon exercise of the warrants is not effective 60 business days after the Closing, warrant holders may, until such time as there is an effective registration statement and during any period when we have failed to maintain an effective registration statement, exercise warrants on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act or another exemption. Notwithstanding the above, if the shares of New Local Bounti Common Stock are at the time of any exercise of a warrant not listed on a national securities exchange such that they satisfy the definition of a "covered security" under Section 18(b)(1) of the Securities Act, we may, at our option, require holders of public warrants who exercise their warrants to do so on a "cashless basis" and, in the event we so elect, we will not be required to file or maintain in effect a registration statement, and in the event we do not so elect, we will use commercially reasonable efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

The warrants have an exercise price of $11.50 per share, subject to adjustments, and will expire five years after the completion of the Business Combination or any other Initial Business Combination or earlier upon redemption or liquidation.

Once the warrants become exercisable, we may redeem the outstanding warrants for cash (except as described herein with respect to the private placement warrants):

- in whole and not in part;
- at a price of $0.01 per warrant;
- upon a minimum of 30 days' prior written notice of redemption; and

- if, and only if, the last sale price of the New Local Bounti Common Stock equals or exceeds $18.00 per share (as adjusted for share sub-divisions, share dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which we send the notice of redemption to the warrant holders.

We will not redeem the warrants for cash unless a registration statement under the Securities Act covering the New Local Bounti Common Stock issuable upon exercise of the warrants is effective and a current prospectus relating to the New Local Bounti Common Stock is available throughout the 30-day redemption period, except if the warrants may be exercised on a cashless basis and such cashless exercise is exempt from registration under the Securities Act.

In no event will we be required to net cash settle any warrant. If we are unable to complete the Business Combination or any other initial business combination within the combination period and we liquidate the funds held in the trust account, holders of warrants will not receive any of such funds with respect to their warrants, nor will they receive any distribution from our assets held outside of the trust account with respect to such warrants. Accordingly, the warrants may expire worthless.

Private Placement Warrants

The private placement warrants are identical to the public warrants underlying the units sold in the initial public offering, except that the private placement warrants and the New Local Bounti Common Stock issuable upon exercise of the private placement warrants will not be transferrable, assignable or salable until 30 days after the completion of the Business Combination or any other initial business combination, subject to certain limited exceptions. The private placement warrants are non-redeemable.

The foregoing description of the Amended and Restated Warrant Agreement does not purport to be complete and is qualified in its entirety by the full text of the Amended and Restated Warrant Agreement, a copy of which is attached hereto as Exhibit 4.2 and is incorporated herein by reference.

Lock-Up Arrangements

In connection with the Closing, Local Bounti securityholders entered into agreements(the "Lock-Up Agreements") pursuant to which they agreed, subject to certain customary exceptions, not to (a) sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder, any shares of Common Stock held by them immediately after the Effective Time, including any shares issuable upon the exercise of options to purchase shares of Common Stock held by them immediately after the Effective Time ("Lock-Up Shares"), (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any of such Lock-Up Shares, whether any such transaction is to be settled by delivery of such securities, in cash or otherwise or (c) publicly announce any intention to effect any transaction specified in clause (a) or (b) (the actions specified in clauses (a) through (c), collectively, "Transfer") for 180 days after the Closing Date.

The foregoing description of the Lock-Up Agreements does not purport to be complete and is qualified in its entirety by reference to the full text of the form of Lock-Up Agreement, a copy of which is attached hereto as Exhibit 10.2 and is incorporated herein by reference.

Pursuant to the Registration Rights Agreement and, subject to certain exceptions, the Sponsor (and its permitted transferees) are contractually restricted from selling or transferring any of their shares of common stock (not including any PIPE Shares issued in the PIPE Financing) (the "Sponsor Lock-up Shares"). Such restrictions began at Closing and end on the earlier of (i) one year after the Closing Date and (ii) the earlier to occur of, subsequent to the Closing Date, (x) the first date on which the last reported sale price of the Common Stock equals or exceeds $12.00 per share (as equitably adjusted for share sub-divisions, share dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any30-trading day period commencing at least 150 days after the Closing and (y) the date on which there is consummated a subsequent liquidation, merger, share exchange or other similar transaction which results in all of New Local Bounti's stockholders having the right to exchange their shares of Common Stock for cash, securities or other property.

Indemnification Agreements

The Company's Certificate of Incorporation, as amended (the "Certificate of Incorporation"), which became effective upon the completion of the Business Combination, contains provisions limiting the liability of directors, and the Bylaws (together with the Certificate of Incorporation, the "Organizational Documents"), which became effective upon the completion of the Business Combination, provide that the Company will indemnify each of its directors to the fullest extent permitted under Delaware law. The Organizational Documents also provide New Local Bounti's Board of Directors (the "Board") with discretion to indemnify officers and employees when determined appropriate by the Board.

New Local Bounti has entered into new indemnification agreements with all of its directors and executive officers and certain other key employees. The indemnification agreements provide that New Local Bounti will indemnify each of its directors, executive officers and other key employees against any and all expenses incurred by such director, executive officer or other key employee because of his or her status as one of New Local Bounti 's directors, executive officers or other key employees, to the fullest extent permitted by Delaware law and the Organizational Documents. In addition, the indemnification agreements provide that, to the fullest extent permitted by Delaware law, New Local Bounti will advance all expenses incurred by its directors, executive officers, and other key employees in connection with a legal proceeding involving his or her status as a director, executive officer or key employee. For more information regarding these indemnification agreements, see the section entitled "Description of Securities" in the Proxy Statement/Prospectus.

The foregoing description of the indemnification agreements does not purport to be complete and is qualified in its entirety by reference to the full text of the form of indemnification agreement, a copy of which is attached hereto as Exhibit 10.3, the full text of the Certificate of Incorporation, a copy of which is attached hereto as Exhibit 3.1 and the full text of the Bylaws, a copy of which is attached hereto as Exhibit 3.2, each of which documents is incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The disclosure set forth in the "*Introductory Note*" above is incorporated by reference into this Item 2.01. The material terms and conditions of the Business Combination Agreement are described in the Proxy Statement/Prospectus in the section titled "*Proposal No. 1—Business Combination Proposal*," which is incorporated herein by reference.

The Business Combination Agreement and the Business Combination was approved by the Company's shareholders at an extraordinary general meeting of the Company's shareholders held on November 16, 2021 (the "Extraordinary General Meeting"). On November 19, 2021, the parties to the Business Combination Agreement consummated the Business Combination.

At the Extraordinary General Meeting, holders of 25,798,719 shares of the Class A Common Stock sold in its initial public offering ("public shares") exercised their right to redeem those shares for cash at a price of approximately $10.00 per share, for an aggregate of approximately $258.0 million. The per share redemption price of $10.00 for public shareholders electing redemption was paid out of the Company's trust account, which after taking into account the redemption, had a balance immediately prior to the Closing of approximately $17.0 million.

Immediately after giving effect to the Business Combination (including as a result of the exercise of redemptions by Leo's shareholders at the Extraordinary General Meeting, there were 86,299,495 shares of Common Stock, issued and outstanding, comprised of (i) 6,875,000 shares of Common Stock held by Leo' sponsor and its affiliates, which converted from the Class B Ordinary Shares on a one-for-one basis into shares of Common Stock in connection with the Business Combination, (ii) the issuance of 15,000,000 shares of Common Stock in the PIPE Financing as described in Item 3.02 below, (iii) the issuance of 62,482,214 shares of Common Stock upon the conversion of Legacy Local Bounti voting common stock, Legacy Local Bounti non-voting common stock and conversion of convertible debt of Local Bounti in connection with the Domestication and Business Combination, (iv) 241,000 Transaction Fee Shares

(as defined below) and (v) 1,701,281 shares of Common Stock held by stockholders following the exercise of redemption rights in connection with the Extraordinary General Meeting. Immediately after giving effect to the Business Combination, there were also warrants to purchase 11,539,216 shares of Common Stock of the Company issued and outstanding.

Furthermore, an aggregate of 241,000 shares of New Local Bounti Common Stock (based on the assumed price of $10.00 per share) were issued to satisfy fees related to the Business Combination (the "Transaction Fee Shares").

FORM 10 INFORMATION

Item 2.01(f) of Form 8-K states that if the predecessor registrant was a shell company, as the Company was immediately before the Business Combination, then the registrant must disclose the information that would be required if the registrant were filing a general form for registration of securities on Form 10. Accordingly, the Company is providing the information below that would be included in a Form 10 if we were to file a Form 10. Please note that the information provided below relates to the Company after the Company's acquisition of Legacy Local Bounti in connection with the consummation of the Business Combination, unless otherwise specifically indicated or the context otherwise requires.

Forward-Looking Statements

This Current Report on Form 8-K, or some of the information incorporated herein by reference, may constitute contains statements that are forward-looking and as such are not historical facts. These forward-looking statements include, without limitation, statements regarding the benefits of the Business Combination, future financial performance, business strategies, expansion plans, future operations, future operating results, estimated revenues, losses, projected costs, prospects, plans and objectives of management. These forward-looking statements are based on the Company's management's current expectations, estimates, projections and beliefs, as well as a number of assumptions concerning future events, and are not guarantees of performance. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. When used in this Current Report on Form 8-K, words such as "may," "should," "could," "would," "expect," "plan," "anticipate," "intend," "believe," "estimate," "continue," "project" or the negative of such terms or other similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this Current Report on Form 8-K and in any document incorporated by reference in this Current Report on Form 8-K may include, for example, statements about:

- the Company's ability to obtain and/or maintain the listing of the New Local Bounti Common Stock and the warrants on the NYSE, and the potential liquidity and trading of such securities;
- the Company's ability to realize the anticipated benefits of the Business Combination, which may be affected by, among other things, competition and the ability of New Local Bounti to grow and manage growth profitably following the Business Combination;
- the Company's success in retaining or recruiting, or changes in, its officers, key employees or directors following the Business Combination;
- changes in applicable laws or regulations;
- the inability to develop and maintain effective internal controls;
- the Company's ability to raise financing in the future;
- the possibility that COVID-19 may adversely affect the results of operations, financial position and cash flows of New Local Bounti;
- the risk that New Local Bounti may fail to effectively build scalable and robust processes to manage the growth of its business and to expand its geographic footprint;
- intense competition faced by New Local Bounti in Agriculture technology;
- the possibility that New Local Bounti is not able to build on and develop strong relationships with retail partners to expand its sales activities;
- market conditions, including seasonality, that may impact the demand for Indoor agriculture products;
- risks, cost overruns and delays associated with construction of New Local Bounti's new facilities;
- risks associated with any future expansion by New Local Bounti into international markets; new or changing government regulation may adversely impact New Local Bounti's current business activities or reduce demand for our product;

- cost increases, delays or new or increased taxation or other restrictions on the availability or cost of energy;
- the possibility that New Local Bounti may be adversely affected by other economic, business or competitive factors; and
- other factors detailed under the section titled "*Risk Factors*" of the Proxy Statement/Prospectus and incorporated herein by reference.

The forward-looking statements contained in this Current Report on Form 8-K and in any document incorporated by reference are based on current expectations and beliefs concerning future developments and their potential effects on the Company. There can be no assurance that future developments affecting the Company will be those that the Company has anticipated. These forward-looking statements involve a number of risks, uncertainties, some of which are beyond the Company's control, or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in the Proxy Statement/Prospectus in the section titled "*Risk Factors*," which is incorporated herein by reference. Should one or more of these risks or uncertainties materialize, or should any of the Company's assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Accordingly, forward-looking statements in this Current Report on Form 8-K and in any document incorporated herein by reference should not be relied upon as representing the Company's views as of any subsequent date, and the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Business

The business of the Company is described in the Proxy Statement/Prospectus in the section entitled "*Information About Local Bounti*" beginning on page 247 of the Proxy Statement/Prospectus, and that information is incorporated herein by reference.

Risk Factors

The risks associated with the Company's business and operations and the Business Combination are described in the Proxy Statement/Prospectus in the section titled "*Risk Factors*" beginning on page 38 of the Proxy Statement/Prospectus, and are incorporated herein by reference.

Financial Information

Unaudited Consolidated Financial Statements

The unaudited consolidated financial statements as of and for the nine months ended September 30, 2021 of Legacy Local Bounti set forth in Exhibit 99.1 hereto have been prepared in accordance with U.S. generally accepted accounting principles and pursuant to the regulations of the Commission. The unaudited financial information reflects, in the opinion of management, all adjustments, consisting of normal recurring adjustments, considered necessary for a fair statement of Legacy Local Bounti's financial position, results of operations and cash flows for the periods indicated. The results reported for the interim period presented are not necessarily indicative of results that may be expected for the full year.

These unaudited consolidated financial statements should be read in conjunction with the historical audited consolidated financial statements of Legacy Local Bounti as of and for the years ended December 31, 2019 and 2020, and the related notes included in the Proxy Statement/Prospectus, the section titled "*Local Bounti's Management's Discussion and Analysis of Financial Condition and Results of Operations*," beginning on page 266 of the Proxy Statement/Prospectus and the section titled "*Local Bounti's Management's Discussion and Analysis of Financial Condition and Results of Operations*" included herein and incorporated by reference.

Unaudited Pro Forma Condensed Consolidated Combined Financial Information

The unaudited pro forma condensed combined financial information of the Company as of and for the nine months ended September 30, 2021 is set forth in Exhibit 99.2 hereto and is incorporated herein by reference.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's discussion and analysis of the financial condition and results of operations of Local Bounti Corporation prior to the Business Combination is included in the Proxy Statement/Prospectus in the section titled "*Local Bounti's Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 266 of the Proxy Statement/Prospectus, which is incorporated herein by reference.

Management's discussion and analysis of the financial condition and results of operations as of and for the nine months ended September 30, 2021 is set forth below.

The following discussion and analysis provides information that Local Bounti's management believes is relevant to an assessment and understanding of Local Bounti's consolidated results of operations and financial condition. The discussion should be read together with "Selected Historical Consolidated Financial and Operating Data of Local Bounti" and the historical audited annual consolidated financial statements as of and for the years ended December 31, 2020 and 2019 and unaudited interim condensed consolidated financial statements as of September 30, 2021 and the nine-month periods ended September 30, 2021 and 2020, and the related respective notes thereto, included elsewhere in this Form 8-K or included in the Proxy Statement/Prospectus incorporated herein by reference. The discussion and analysis should also be read together with Local Bounti's unaudited pro forma financial information for the year ended December 31, 2020 and the nine months ended September 30, 2021. See "Unaudited Pro Forma Condensed Combined Financial Information." This discussion may contain forward-looking statements based upon current expectations that involve risks and uncertainties. Local Bounti's actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" elsewhere in this Form 8-K or included in the Proxy Statement/Prospectus incorporated herein by reference. Unless the context otherwise requires, references in this "Local Bounti's Management's Discussion and Analysis of Financial Condition and Results of Operations" to "Local Bounti" and the "Company" refer to the business and operations of Local Bounti and its subsidiaries prior to the Business Combination and to Local Bounti and its consolidated subsidiaries, following the consummation of the Business Combination.

Overview

Local Bounti was founded in August 2018 and is headquartered in Hamilton, Montana. Local Bounti is a producer of sustainably grown living lettuce, herbs and loose leaf lettuce. Local Bounti's vision is to deliver the freshest, locally grown produce over the fewest food miles possible. Local Bounti is a controlled environmental agriculture ("CEA") company that utilizes patent pending Stack & Flow Technology™, which is a hybrid of vertical farming and hydroponic greenhouse farming, to grow healthy food sustainably and affordably. Through its CEA process, it is the Company's goal to produce its products in an environmentally sustainable manner that will increase harvest efficiency, limit water usage and reduce the carbon footprint of the production and distribution process. The environmental greenhouse conditions help to ensure nutritional value and taste, and the products are non-GMO and pesticide and herbicide free. The Company's products use 90% less water and 90% less land than conventional agriculture to produce. The Company's first CEA facility in Hamilton, Montana (the "Montana Facility") commenced construction in 2019 and reached full commercial operation by the second half of 2020.

Hamilton, Montana Facility

In June 2020, we entered into a sale and finance leaseback transaction with Grow Bitterroot, LLC, ("Grow Bitterroot"), a related party, for the Montana Facility. We use the Montana Facility mainly for warehouse and greenhouse space. The original lease for the Montana Facility is for an initial term of 15 years or through May 2035. We also have an option to extend the term of the facility lease for three consecutive terms of five years each, of which we currently reasonably expect to extend the first term. The transaction did not qualify for sale leaseback accounting due to the finance leaseback classification prohibiting sale accounting. Therefore, the assets remain on the consolidated balance sheet and there was a $12.7 million financing

obligation as of September 30, 2021. In addition, we manage the facility and perform maintenance in exchange for a management fee under a property maintenance and management services agreement entered into in June 2020. The contractual payments for both the lease agreement and the property maintenance and management agreement are applied as payments of deemed principal and imputed interest. In April 2021, the lease agreement was modified to extend the initial term through October 2040.

The lease agreement does not contain residual value guarantees. The lease agreement does not contain restrictions or covenants that may result in additional financial obligations. The landlord has the option to construct future improvements on the property, and when the improvements are completed, the base rent is expected to increase.

Factors Affecting Our Financial Condition and Results of Operations

We expect to expend substantial resources as we:

- identify and invest in future growth opportunities, including new or expanded facilities and new product lines;
- invest in sales and marketing efforts to increase brand awareness, engage customers and drive sales of its products;
- invest in product innovation and development; and
- incur additional general administration expenses, including increased finance, legal and accounting expenses associated with being a public company, and growing operations.

Business Combination and Public Company Costs

On June 17, 2021, Local Bounti and Leo Holdings III Corporation ("Leo") entered into a Merger Agreement for a Business Combination, which provides for a total consideration of $650.0 million to Local Bounti's stockholders.

While the legal acquirer in the Business Combination is Leo, for accounting and financial reporting purposes under accounting principles generally accepted in the United States of America, or GAAP, Local Bounti will be the accounting acquirer and the Business Combination will be accounted for as a "reverse recapitalization." A reverse recapitalization (i.e., a capital transaction involving the issuance of stock by Leo for the stock of Local Bounti) does not result in a new basis of accounting, and the consolidated financial statements of the combined entity represent the continuation of the consolidated financial statements of Local Bounti in many respects. Accordingly, the consolidated assets, liabilities and results of operations of Local Bounti will become the historical consolidated financial statements of New Local Bounti, and Leo's assets, liabilities and results of operations will be consolidated with New Local Bounti beginning on the acquisition date. Operations prior to the Business Combination will be presented as those of Local Bounti in future reports. The net assets of Leo will be recognized at historical cost (which is expected to be consistent with carrying value), with no goodwill or other intangible assets recorded upon execution of the Business Combination.

Upon consummation of the Business Combination, and the closing of the PIPE Financing, the most significant change in the future reported financial position and results of operations of New Local Bounti is expected to be an estimated increase in cash and cash equivalents of approximately $100.0 million, after the actual redemption. These amounts include $17.0 million from Leo, with the redemptions of 25,798,719 public shares. In addition, $150.0 million in gross proceeds from the PIPE Financing, by the PIPE Investors, will be contributed to New Local Bounti. Total direct and incremental transaction costs of Leo and Local Bounti are estimated at approximately $35.7 million and will be treated as a reduction of the cash proceeds of which $30.4 million will be deducted from the New Local Bounti additional paid-in capital and $5.3 million will be recognized as an expense. See the section titled "Unaudited Pro Forma Condensed Combined Financial Information" for further information.

As a result of the Business Combination, New Local Bounti will become the successor to anSEC-registered and New York Stock Exchange-listed company, which will require New Local Bounti to hire additional personnel and implement procedures and processes to address public company regulatory requirements and customary practices. New Local Bounti expects to incur additional annual expenses as a public company for, among other things,

directors' and officers' liability insurance, director fees and additional internal and external accounting, legal and administrative resources, including increased audit and legal fees. The Company will be classified as an Emerging Growth Company, as defined under the Jumpstart Our Business Startups Act (the "JOBS Act"), which was enacted on April 5, 2012. As a result, upon completion of the Business Combination, the Company will be provided certain disclosure and regulatory relief, provided by the SEC, as an Emerging Growth Company.

New Local Bounti's future results of consolidated operations and financial position may not be comparable to historical results as a result of the Business Combination.

Long-Term Loans

Cargill Loans

In March 2021, we entered into a loan with Cargill Financial Services International, Inc. ("Cargill Financial") to finance the general working capital for the Company. This loan has a principal balance of up to $10.0 million and bears interest at 8% per annum with a maturity date of March 22, 2022. The lender has 25% equity warrant coverage on the loan amount. The warrant to purchase shares entitles the lender to a number of shares totaling 25% of the principal amount of loan multiplied by 85% of the lowest cash price per share upon the earliest of a qualified equity financing, qualified special purpose acquisition company ("SPAC") transaction, or an acquisition, as defined by the agreement. In September 2021, this loan was repaid in full.

On September 3, 2021, we entered into a Subordinated Credit Agreement with Cargill Financial, for up to $50.0 million (the "Cargill Loan"). The interest rate on the Cargill Loan is 10.5% per annum, with accrued interest paid quarterly in arrears on the last business day of each calendar quarter, commencing on the last business day of the calendar quarter ending December 31, 2021, and on the maturity date. A total of $16.3 million was outstanding on the Cargill Loan as of September 30, 2021.

On September 3, 2021, we also entered into a Credit Agreement with Cargill Financial whereby Cargill Financial agreed to make advances to the Company of up to $150.0 million. The interest rate on this loan will be equal to the LIBOR rate plus the Applicable Margin. This loan cannot be drawn until the Company closes the SPAC transaction.

Convertible Notes

During 2021, we entered into a series of identical convertible long-term notes with various parties with a maturity date of February 8, 2023 (referred to herein as the "Convertible Notes"). As of September 30, 2021, the combined total principal balance is approximately $26.1 million and bears interest at 8% per annum. The Convertible Notes were accounted for at fair value with changes in fair value being recognized under Convertible Notes fair value adjustment within the income statement. The Convertible Notes have a conversion feature that triggers upon the earliest of a qualified equity financing or a qualified SPAC transaction, as defined by the agreement. Under a qualified SPAC transaction, the outstanding principal of the Convertible Notes automatically convert into a number of common stock, at a conversion price equal to value of each share of common stock in the qualified SPAC transaction multiplied by 85%. The Business Combination will be a qualified SPAC transaction and will convert the Convertible Notes into shares of common stock of New Local Bounti pursuant to the Merger Agreement.

Key Components of Statement of Operations

Basis of Presentation

Currently, Local Bounti conducts business through one operating segment. As of the date of this Form8-K, Local Bounti's activities have been entirely conducted in the United States. For more information about Local Bounti's basis of presentation, refer to Note 1 in the accompanying audited consolidated financial statements of Local Bounti as of and for the years ended December 31, 2020 and 2019, included in the Proxy Statement/Prospectus, which is incorporated herein by reference.

The unaudited interim condensed consolidated financial statements as of September 30, 2021 and for the nine months ended September 30, 2021 and 2020, and the audited consolidated financial statements as of and for the years ended December 31, 2020 and 2019, contained herein, include a summary of our significant accounting policies and should be read in conjunction with the discussion below.

Sales

Local Bounti recognizes revenue from the sale of produce. We grow and package fresh greens and herbs that are sold into existing markets and channels such as food retailers and food service distributors from our Montana Facility. Sales are recognized at a point in time when control of the goods is transferred to the customer. In the future, we expect to build and operate new facilities across the Western United States, which will increase our production capacity and expand our reach to new markets, new geographies, and new customers.

We also expect to expand our product offering to new varieties of fresh greens, herbs, and other produce. We periodically offer sales incentives to our customers, including temporary price reductions. We anticipate that these promotional activities could impact net sales and that changes in such activities could impact period-over-period results. Net sales may also vary from period to period depending on the purchase orders we receive, the volume and mix of products sold and the channels through which our products are sold.

Cost of Goods Sold

Cost of goods sold consists primarily of the direct costs related to growing produce at the Montana Facility. Primary examples within our cost of goods sold include, but are not limited to, costs relating to utilities, labor, seeds and other input supplies, and packaging materials. In the future, we expect to build and operate new facilities across the Western United States. These facilities will incur similar costs directly related to growing and selling of our products.

We expect that, over time, cost of goods sold will decrease as a percentage of sales, as a result of scaling our business.

Research and Development

Research and development expenses consist primarily of compensation to employees engaged in research and development activities, including salaries and related benefits, in addition to related overhead (including depreciation, utilities and other related allocated expenses) as well as supplies and services related to the development of our growing process. Our research and development efforts are focused on development of the Company's process utilizing its CEA facility. We expect, over time, that research and development will decrease as a percentage of sales, as a result of the establishment of our growing process.

Selling, General and Administrative Expenses

Selling, general, and administrative expenses consist of liabilities and expenses accrued for salaries, employee benefits, advertising and branding, rent, security, utilities, recruiting expenses, insurance, and office supplies. We expect selling, general and administrative expenses to increase for the foreseeable future as we increase the number of employees to support the growth of our business, and as a result of operating as a public company, including additional costs and expenses associated with compliance with the rules and regulations of the SEC, legal, audit, insurance, investor relations, and other administrative and professional services.

Depreciation

Depreciation expense relates to the equipment and leasehold improvements of our greenhouse at the Montana Facility.

Management Fee Income

Management fee income relates to the management fee we receive for managing the Montana Facility and performing maintenance under the property maintenance and management services agreement with Grow Bitterroot.

Convertible Notes Fair Value Adjustment

Convertible Notes fair value adjustment relates to our Convertible Notes that were entered into with various parties during the first and second quarter of 2021. We measure Convertible Notes at fair value based on significant inputs not observable in the market, resulting in these Convertible Notes being classified as Level 3 measurements within the fair value hierarchy. Changes in the fair value of Convertible Notes relate to updated assumptions and estimates are recognized as a Convertible Notes fair value adjustment within the results of operations.

Debt Extinguishment Expense

Debt extinguishment expense relates to write off of unamortized debt issuance costs, penalties and related fees associated with a loan with Cargill Financial which was repaid in September 2021.

Interest Expense, net

Interest expense consists primarily of interest recognized per the terms of our various financing obligations related to the Montana Facility and interest expense related to the loans with Cargill Financial and the Convertible Notes.

Results of Operations

Comparison of the nine months ended September 30, 2021 and 2020

The following table sets forth our historical operating results for the periods indicated (in thousands):

	For the nine months ended September 30,		
	2021	2020	$ Change
Sales	$ 324	$ 39	$ 285
Cost of goods sold	249	8	241
Gross profit	75	31	44
Operating expenses:			
Research and development	2,245	358	1,887
Selling, general and administrative	15,493	4,223	11,270
Depreciation	392	182	210
Total operating expenses	18,130	4,763	13,367
Loss from operations	(18,055)	(4,732)	(13,323)
Other income (expense):			
Management fee income	62	21	41
Convertible notes fair value adjustment	(5,067)	—	(5,067)
Warrant fair value adjustment	(10)	—	(10)
Debt extinguishment expense	(1,485)	—	(1,485)
Interest expense, net	(3,267)	(317)	(2,950)
Loss before income taxes	(27,822)	(5,028)	(22,794)
Income tax expense	—	—	—
Net loss	$ (27,822)	$ (5,028)	$(22,794)

The following sections discuss and analyze the changes in the significant line items in our unaudited condensed consolidated statements of operations for the comparative periods in the table above.

Sales

Sales increased by $285 thousand for the nine months ended September 30, 2021 as compared to the prior period. The increase is primarily due to commercial production and related sales from the Montana Facility not starting until the second half of 2020.

Cost of Goods Sold

Cost of goods sold increased $241 thousand for the nine months ended September 30, 2021, as compared to the prior period. Cost of goods sold consists primarily of materials and labor used to produce fresh greens and herbs. We did not recognize any cost of goods sold until the second half of 2020, when commercial production began.

Research and Development

Research and development costs increased by $1.9 million for the nine months ended September 30, 2021, as compared to the prior period. We incurred costs for research and development and related waste costs including production, harvesting, post-harvest packaging, as well as production surplus costs related to the development of our production process. We did not recognize any research and development costs until second half of 2020, when commercial production began.

Selling, General, and Administrative Expenses

Selling, general and administrative expenses increased by $11.3 million for the nine months ended September 30, 2021, as compared to the prior period. The increase was primarily due to a $6.2 million increase in salaries and wages, payroll taxes, employee benefits primarily due to increased headcount, $2.5 million increase in stock-based compensation expense related to the one-time termination of a share restriction agreement with a stockholder, a $1.8 million increase in legal and accounting expenses, a $825 thousand increase in human resources and recruiting expenses, and a $401 thousand increase in sales and merchandising, which was offset by a $369 thousand decrease in management fee expense as the management services agreement with BrightMark Partners LLC ("BrightMark") was terminated in March 2021.

Depreciation

Depreciation expense increased by $210 thousand for the nine months ended September 30, 2021, as compared to the prior period. Depreciation expense increased due to the Montana Facility, which reached full commercial operation, and was placed into service, during the second half of 2020.

Management Fee Income

Management fee income increased by $41 thousand for the nine months ended September 30, 2021, as compared to the prior period. The management fee income relates to a related party property maintenance and management agreement with Grow Bitterroot, which commenced in June 2020. The increase is due to a full nine months of activities in 2021 versus only four months of activity in 2020.

Convertible Notes Fair Value Adjustment

Convertible Notes fair value adjustment increased by $5.1 million for the nine months ended September 30, 2021. The fair value adjustment relates to our Convertible Notes which were entered into with various parties during the first half of 2021.

Debt Extinguishment Expense

Debt extinguishment expense increased by $1.5 million for the nine months ended September 30, 2021. The expense relates to write off of unamortized debt issuance costs and penalties associated with a loan with Cargill Financial that was paid off in September 2021.

Interest Expense, net

Interest expense, net increased by $3.0 million for the nine months ended September 30, 2021, as compared to the prior period. The interest expense for 2021 related to $1.3 million of interest and amortization expense related to notes and warrants with Cargill Financial, $1.1 million related to our Convertible Notes, and $417 thousand increase in interest expense recognition from the financing element of our sale leaseback with Grow Bitterroot, which commenced in June 2020.

Year Ended December 31, 2020 Compared With year Ended December 31, 2019

The following table sets forth our historical operating results for the periods indicated (in thousands):

	For the years ended December 31,		
	2020	2019	$ Change
Sales	$ 82	$ —	$ 82
Cost of goods sold	91	—	91
Gross loss	(9)	—	(9)
Operating expenses:			
Research and development	1,079	—	1,079
Selling, general and administrative	6,547	3,367	3,180
Depreciation	287	—	287
Total operating expenses	7,913	3,367	4,546
Loss from operations	(7,922)	(3,367)	(4,555)
Other income (expense):			
Management fee income	35	—	35
Interest expense, net	(522)	(39)	(483)
Loss before income taxes	(8,409)	(3,406)	(5,003)
Income tax expense	—	—	—
Net loss	$ (8,409)	$ (3,406)	$ (5,003)

The following sections discuss and analyze the changes in the significant line items in our condensed consolidated statements of operations for the comparative periods in the table above.

Sales

We began commercial production during the second half of 2020 and had $82 thousand in sales for the year ended December 31, 2020, generated from the sale of fresh greens and herbs to customers from our Montana Facility. No sales were recognized for the year ended December 31, 2019, as commercial production had not begun.

Cost of Goods Sold

Cost of goods sold was $91 thousand for the year ended December 31, 2020. Cost of goods sold consists primarily of materials and labor used to produce fresh greens. No cost of goods sold was recognized for the year ended December 31, 2019, as commercial production had not begun.

Research and Development

Research and development costs were $1.1 million for the year ended December 31, 2020. We incurred costs for research and development and related waste costs including production, harvesting, post-harvest packaging, as well as production surplus related costs related to the development of our production process. No research and development cost was recognized for the year ended December 31, 2019.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses increased by approximately $3.2 million, as compared to the prior period. The increase was primarily due to a $1.4 million increase in stock-based compensation expense related to a full year of expense for a stock restriction agreement that was entered into in June 2019, a $1.2 million increase in payroll taxes related to a one-time tax withholding for RSA grants, and a $487 thousand increase in salaries and wages and employee development related expenses due to increased headcount from the growth of the Company.

Depreciation

Depreciation expense was $287 thousand for the year ended December 31, 2020. Depreciation expense increased due to depreciation expense associated with the Montana Facility which reached full commercial operation by the second half of 2020.

Management Fee Income

Management fee income was $35 thousand for the year ended December 31, 2020. Management fee income relates to a related party property maintenance and management services agreement with Grow Bitterroot, which commenced in June 2020.

Interest Expense, net

Interest expense, net increased by $483 thousand, as compared to the prior period. The increase in interest expense in 2020 primarily relates to the financing component of our sale and finance leaseback transaction with Grow Bitterroot that we entered into in June 2020.

Going Concern and Liquidity

Cash and cash equivalents totaled $10.4 million and $45 thousand as of September 30, 2021 and December 31, 2020, respectively. Currently, our primary sources of liquidity are cash flows generated from issuances of the Convertible Notes and loans with Cargill Financial. We incurred losses and generated negative cash flows from operations since our inception in 2018. As of September 30, 2021, we had an accumulated deficit of $40.0 million. The CEA business is capital-intensive. Expenditures are expected to include working capital, costs associated with planting and harvesting, such as the purchase of seeds and growing supplies, the expansion of our Montana Facility, and the cost of attracting and retaining a skilled local labor force. In addition, other unanticipated costs may arise due to our scaling and growing process, and the continued development of additional properties for CEA facilities. We believe that we will continue to incur net losses for the foreseeable future as it continues growing and selling its produce.

As noted above, on June 17, 2021, we entered into a business combination agreement with Leo, a publicly traded special purpose acquisition company. As a result of this merger, which is structured as a reverse acquisition, Local Bounti will operate as a public company. At the close of the transaction on November 19, 2021, approximately $100.0 million was transferred to Local Bounti to fund operations.

Our future capital requirements and the adequacy of available funds will depend on many factors, including those set forth in the section titled “Risk Factors – Risks Related to Local Bounti’s Business and New Local Bounti Following the Business Combination.”

Summary of Cash Flows

A summary of our cash flows from operating, investing and financing activities is presented in the following table (in thousands):

	For the nine months ended September 30,		For the year ended December 31,	
	2021	2020	2021	2020
Net cash used in operating activities	$(15,280)	$(3,647)	$(3,838)	$(1,119)
Net cash used in investing activities	(14,193)	(3,723)	(3,422)	(3,743)
Net cash provided by financing activities	44,220	5,315	5,168	6,999
Cash and cash equivalents and restricted cash at beginning of period	45	2,137	2,137	—
Cash and cash equivalents and restricted cash at end of period	$ 14,792	$ 82	$ 45	$ 2,137

Net Cash Used In Operating Activities

Net cash used in operating activities was $15.3 million for the nine months ended September 30, 2021 due to a net loss of $27.8 million, partially offset by non-cash activities of $4.9 million in stock-based compensation expense, $5.1 million in fair value adjustments to the Convertible Notes, $939 thousand in debt extinguishment expense, $782 thousand in amortization of debt issuance costs, $424 thousand net increase of cash from changes in assets and liabilities, and $392 thousand in depreciation expense.

Net cash used in operating activities was $3.6 million for the nine months ended September 30, 2020 due to a net loss of $5.0 million and a $1.3 million net use of cash from changes in assets and liabilities, partially offset by $2.5 million in stock-based compensation expense and $182 thousand in depreciation expense.

Net cash used in operating activities was $3.8 million for the year ended December 31, 2020 due to a net loss of $8.4 million, partially offset by $3.3 million in stock-based compensation expense, and a $989 thousand net source of cash from changes in assets and liabilities, and $287 thousand in depreciation expense.

Net cash used in operating activities was $1.1 million for the year ended December 31, 2019 due to a net loss of $3.4 million, partially offset by the $1.9 million in stock-based compensation expense and a $345 thousand net source of cash from changes in other assets and liabilities.

Net Cash Used In Investing Activities

Net cash used in investing activities was $14.2 million for the nine months ended September 30, 2021, which was made up of purchases of equipment and other items related to the expansion of the Montana Facility and purchase of land in Washington for the location of our second CEA facility. Net cash used in investing activities was $3.7 million for the nine months ended September 30, 2020 due to purchases of property and equipment as part of the start-up of the Montana Facility.

Net cash used in investing activities was $3.4 million for the year ended December 31, 2020, while net cash used in investing activities was $3.7 million for the year ended December 31, 2019. Our investing activities for both years reflect the purchases of property and equipment for the Montana Facility.

Net Cash Provided By Financing Activities

Net cash provided by financing activities was $44.2 million for the nine months ended September 30, 2021, representing $26.8 million cash received from the issuance of the Cargill Loan, $26.0 million cash received from issuance of Convertible Notes, and $3.5 million net proceeds from financing obligations. The increase is offset by $10.7 million cash repayment of debt and the payment of $1.4 million in debt issuance costs. Net cash provided by financing activities was $5.3 million for the nine months ended September 30, 2020 due to $7.7 million net proceeds from financing obligations, $536 thousand cash received from the issuance of debt which was repaid as part of the sale lease back transaction with Grow Bitterroot in June 2020, partially offset by $2.9 million debt repayments.

Net cash provided by financing activities was $5.2 million the year ended December 31, 2020 as compared to $7.0 million for the year ended December 31, 2019. For the year ended December 31, 2020, our financing cash flows primarily relate to proceeds of $7.7 million from financing obligations related to the sale leaseback transaction with Grow Bitterroot for the Montana Facility and proceeds of $453 thousand from the issuance of debt, partially offset by the repayment of $2.9 million in debt as part of the sale leaseback transaction with Grow Bitterroot and an $80 thousand redemption of common stock. For the year ended December 31, 2019, our financing cash flows primarily relate to $4.6 million of proceeds related to the issuance of debt, and $4.5 million from the issuance of common stock, partially offset by payments of $2.0 million related to the settlement of prior debt.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the unaudited condensed consolidated financial statements and the consolidated financial statements and accompanying notes. Although these estimates are based on our knowledge of current events and actions we may undertake in the future, actual results could differ from those estimates and assumptions.

Revenue Recognition

The consolidated financial statements reflect our adoption of the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") 2014-09, *"Revenue from Contracts with Customers (Topic 606)"* effective August 20, 2018 (the date of the Company's incorporation). Our principal business is the production of sustainably grown fresh greens and herbs through CEA facilities. We sell directly to local grocery stores and suppliers that further sell and distribute the produce. Consideration received is not based on further sales of the produce by suppliers. Revenue is recognized at a point in time when product control is transferred to the customer. In general, control transfers to the customer when the product is shipped or delivered to the customer based upon applicable shipping terms. Customer contracts generally do not include more than one performance obligation.

We do not have significant unbilled receivable balances arising from transactions with customers. We do not capitalize contract inception costs, as contracts (which are in the form of purchase orders from customers) are one year or less and we do not incur significant fulfillment costs requiring capitalization.

We recognize shipping and handling costs as fulfillment cost and includes in cost of goods sold upon delivery of the product to the customer.

Leases

The unaudited condensed consolidated financial statements and the consolidated financial statements reflect our adoption of ASU 2016-02, "*Leases (Topic 842)*," effective August 20, 2018 (the date of the Company's incorporation). We determine if an arrangement contains a lease at inception. The right-of-use assets, net and liabilities associated with leases are recognized based on the present value of the future minimum lease payments over the lease term. Lease terms reflect options to extend or not to terminate the lease when it is reasonably certain that the option will be exercised. For leases that include residual value guarantees, we include these costs in the lease liability when it is probable such costs will be incurred. Right-of-use assets and obligations for short-term leases (leases with an initial term of 12 months or less) are not recognized in the consolidated balance sheet.

Stock-Based Compensation

We measure and recognize compensation expense for all equity-based awards made to employees based on estimated fair values recognized over the requisite service period in accordance with the FASB's Accounting Standards Codification ("ASC") 718, *"Stock-Based Compensation."* Stock-based payments are recognized in the consolidated statements of operations as a selling, general and administrative expense. We recognize compensation expense for all equity-based awards with service vesting requirements on a straight-line basis over the requisite service period of the awards, which is generally the award's vesting period. These amounts are reduced by forfeitures as the forfeitures occur. The Company's restricted stock is subject to performance-based vesting conditions that would be satisfied upon certain liquidity events, including, but not limited to, the Business Combination.

Fair Vale Measurements

We measure our warrants and Convertible Notes at fair value based on significant inputs not observable in the market, resulting in them being classified as Level 3 measurements within the fair value hierarchy. Changes in the fair value of the warrants related to updated assumptions and estimates were recognized as a warrant liability fair value adjustment within the consolidated statements of operations.

The fair value of the Company was determined utilizing both income and market approaches which were weighted equally in the valuation. The fair value of the Company was then allocated to the warrants utilizing an option pricing methodology ("OPM"), estimating the probability weighted value across multiple scenarios. Guideline public company multiples were used to value the Company under certain scenarios. The discounted cash flow method was used to value the Company under the other scenarios. Share value for each class of security was based upon the probability-weighted present value of expected future investment returns, considering each of these possible future outcomes, as well as the rights of each share class.

The significant unobservable inputs into the valuation model used to estimate the fair value of the redeemable convertible preferred stock warrants include:

- the timing of potential events (including, but not limited to, an initial public offering or SPAC transaction) and their probability of occurring,
- the selection of guideline public company multiples,
- a discount for the lack of marketability of the preferred and common stock,
- the projected future cash flows, and
- the discount rate used to calculate the present value of the estimated equity value allocated to each share class.

Related Party Transactions

BrightMark Management Services Agreement

In August 2018, we entered into a management services agreement with BrightMark, a related party, for certain management services including management, business, operational, strategic, and advisory services. Under the agreement, the management services will be provided for an initial term of three years that automatically renews for an additional one-year term. As consideration for the management services, we pay $40 thousand, including costs and expenses incurred by BrightMark on behalf of Local Bounti, as reasonably determined by both parties on a monthly basis. In March 2021, we terminated the management services agreement.

Grow Bitterroot Sale Lease Back Transaction & Property Maintenance and Management Services Agreement

In June 2020, we completed construction of and sold the Montana Facility to Grow Bitterroot, a related party, for a total consideration of $6.9 million. Concurrently, we entered into an agreement with Grow Bitterroot, whereby we will lease land and greenhouse buildings at the Montana Facility from Grow Bitterroot. The transaction is accounted for as a financing transaction (a failed sale). In addition, we entered into a property maintenance and management services agreement with Grow Bitterroot under which we will provide all property maintenance and management services including business, operational, strategic and advisory services in exchange for an annual fee of $50 thousand. The property maintenance and management services agreement includes an initial term of three years with one-year autorenewals unless terminated by either party with 30 days' notice.

Emerging Growth Company Status

Leo is an "emerging growth company" as defined in Section 2(a) of the Securities Act and has elected to take advantage of the benefits of the extended transition period for new or revised financial accounting standards. Following the consummation of the Business Combination, New Local Bounti expects to remain an emerging growth company at least through the end of the 2021 fiscal year and New Local Bounti expects to continue to take advantage of the benefits of the extended transition period, although it may decide to early adopt such new or revised accounting standards to the extent permitted by such standards. New Local Bounti expects to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and non-public companies until the earlier of the date the Combined Company (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. This may make it difficult or impossible to compare New Local Bounti's financial results with the financial results of another public company that is either not an emerging growth company or is an emerging growth company that has chosen not to take advantage of the extended transition period exemptions because of the potential differences in accounting standards used. See Note 2 of the accompanying audited consolidated financial statements and unaudited condensed consolidated financial statements of Local Bounti included elsewhere in the Proxy Statement/Prospectus incorporated herein by reference for the recent accounting pronouncements adopted and the recent accounting pronouncements not yet adopted for the years ended December 31, 2020 and 2019 and for the nine months ended September 30, 2021.

In addition, New Local Bounti intends to rely on the other exemptions and reduced reporting requirements provided by the JOBS Act. New Local Bounti is not required to, among other things: (a) provide an auditor's attestation report on New Local Bounti's system of internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act; (b) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act; (c) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion and analysis); and (d) disclose certain executive compensation-related items such as the correlation between executive compensation and performance and comparisons of the Chief Executive Officer's compensation to median employee compensation.

New Local Bounti will remain an emerging growth company under the JOBS Act until the earliest of (a) December 31, 2025, (b) the last date of New Local Bounti's fiscal year in which New Local Bounti has total annual gross sales of at least $1.07 billion, (c) the date on which New Local Bounti is deemed to be a "large accelerated filer" under the rules of the SEC with at least $700.0 million of outstanding securities held by non-affiliates or (d) the date on which New Local Bounti has issued more than $1.0 billion in non-convertible debt securities during the previous three years.

Recent Accounting Pronouncements

See Note 2 to the audited consolidated financial statements included elsewhere in this Form8-K, or in the Proxy Statement/Prospectus incorporated herein by reference, for more information about recent accounting pronouncements, the timing of their adoption, and our assessment, to the extent we have made one, of their potential impact on our financial condition and our results of operations and cash flows.

Quantitative and Qualitative Disclosures about Market Risks

Inflation Risk

We do not believe that inflation has had a material effect on our business, results of operations or financial condition. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability to do so could harm our business, results of operations and financial condition.

Fair Value Risk

As of September 30, 2021, we measured warrants and Convertible Notes at fair value based on significant inputs not observable in the market, resulting in them being classified as Level 3 measurements within the fair value hierarchy. Changes in the fair value of the warrants related to updated assumptions and estimates were recognized as a warrant liability fair value adjustment within the unaudited condensed consolidated statements of operations. A warrant obligation is generally a market risk sensitive instrument. We do not believe that fair value risk has had a material effect on our business, results of operations or financial condition.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information regarding the beneficial ownership of shares of Common Stock of the Company immediately following the consummation of the Business Combination and the PIPE Financing by:

- each person known by the Company to be the beneficial owner of more than 5% of the Common Stock of the Company;
- each of the Company's executive officers and directors; and
- all executive officers and directors of the Company as a group.

Beneficial ownership is determined according to the rules of the Commission, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, including options and warrants that are currently exercisable or exercisable within 60 days.

The beneficial ownership of our Common Stock is based on 86,299,495 shares of Common Stock outstanding as of the Closing Date. Shares of our Common Stock that may be acquired by an individual or group within 60 days of the Closing Date pursuant to the exercise of options or warrants that are currently exercisable or exercisable within 60 days of the Closing Date are deemed to be outstanding for the purpose of computing the percentage ownership of such individual or group, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person shown in the table.

Unless otherwise indicated, we believe that all persons named in the table below have sole voting and investment power with respect to all shares of voting common stock beneficially owned by them.

Unless otherwise indicated, the address for each New Local Bounti stockholder listed is: 490 Foley Lane, Hamilton, MT 59480.

Name and Address of Beneficial Owners(1)	Number of Shares	%
Directors and Executive Officers		
Craig M. Hurlbert(1)	17,938,230	20.8
Travis C. Joyner(2)	16,106,907	18.7
Pamela Brewster	1,527,264	1.8
Mark J. Nelson(3)	45,386	*
Edward C. Forst(4)	374,489	*
Matt Nordby	—	—
Kathleen Valiasek(3)	1,055,478	1.2
B. David Vosburg Jr.	1,206,268	1.4
Gary Hilberg(3)	301,564	*
All directors and officers as a group (9 persons)	38,555,586	44.7
Five Percent Holders:		
Leo Investors III LP(5)	6,770,000	7.8
Live Oak Ventures, LLC(6)	11,805,173	13.7
McLeod Management Co., LLC(2)	16,106,907	18.7
Wheat Wind Farms, LLC(1)	17,938,230	20.8

* Less than 1%

(1) Consists of shares held by Wheat Wind Farms, LLC, which is controlled by Mr. Hurlbert.

(2) Consists of shares held by McLeod Management Co., LLC, which is controlled by Mr. Joyner.

(3) Excludes restricted stock units which are not expected to settle within 60 days of the Closing.

(4) Consists of shares held by Wellfor LLC, which is controlled by Edward C. Forst.

(5) The Sponsor is the record holder of the securities reported herein. The Sponsor is controlled by its general partner, Leo Investors GP II Limited, which is governed by a three member board of directors. Each director has one vote, and the approval of a majority of the directors is required to approve an action of the Sponsor. Under the so-called “rule of three,” if voting and dispositive decisions regarding an entity’s securities are made by two or more individuals, and a voting and dispositive decision requires the approval of a majority of those individuals, then none of the individuals is deemed a beneficial owner of the entity’s securities. No individual director of the general partner of the Sponsor exercises voting or dispositive control over any of the securities held by the Sponsor, even those in which such director directly holds a pecuniary interest. Accordingly, none of them will be deemed to have or share beneficial ownership of such shares.

(6) Consists of 7,503,176 shares held by Live Oak Ventures, LLC, 2,431,653 shares held by Charles R. Schwab & Helen O. Schwab TTEE The Charles & Helen Schwab Living Trust U/A DTD 11/22/1985 and 615,826 shares held by Charles R. Schwab TTEE The Charles & Helen Schwab Living Trust U/A DTD 11/22/1985, each of which is controlled by Charles R. Schwab.

Directors and Executive Officers

Information with respect to the Company's directors and executive officers after the Closing are described in the Proxy Statement/Prospectus in the section titled "*Management of New Local Bounti Following the Business Combination*" beginning on page 286 and that information is incorporated herein by reference.

Board Composition

As previously disclosed, at the Extraordinary General Meeting, on November 16, 2021, Craig M. Hurlbert, Travis Joyner, Pamela Brewster, Matthew Nordby, Mark J. Nelson and Edward C. Forst were elected by the Company's shareholders to serve as directors effective immediately upon the Closing.

Effective as of the Closing, in connection with the Business Combination, the size of the Board remained at six members, and Craig M. Hurlbert, Travis Joyner, Pamela Brewster, Matthew Nordby and Mark J. Nelson were appointed to fill the vacancies on the Board and serve as directors of the Company. Upon the Closing, Lyndon Lea, Robert Darwent, Lori Bush, Mary E. Minnick and Mark Masinter resigned as directors of Leo Holdings III Corp.

In addition, Pamela Brewster and Matthew Nordby were appointed to serve as Class I directors, with terms expiring at the Company's first annual meeting of stockholders following the Closing; Mark J. Nelson and Edward C. Forst were appointed to serve as Class II directors, with terms expiring at the Company's second annual meeting of stockholders following the Closing; and Craig M. Hurlbert and Travis Joyner were appointed to serve as Class III directors, with terms expiring at the Company's third annual meeting of stockholders following the Closing. Biographical information for these individuals is set forth in the Proxy Statement/Prospectus in the section titled "*Management of New Local Bounti Following the Business Combination*" which information is incorporated herein by reference.

Director Independence

The Board has determined that Pamela Brewster, Edward C. Forst, Mark J. Nelson and Matthew Nordby are independent as defined under the listing standards of the NYSE.

Committees of the Board of Directors

Effective upon the Closing, the standing committees of the Board consist of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee.

Upon the Closing, the Board appointed Edward C. Forst, Mark J. Nelson and Pamela Brewster to serve on the Audit Committee, with Edward C. Forst as chairperson. The Board determined that each member of the Audit Committee meets the requirements for independence and financial literacy under the current NYSE listing standards and SEC rules and regulations, including Rule 10A-3. In addition, Edward C. Forst and Mark J. Nelson each qualify as an "audit committee financial expert" as defined in applicable SEC rules. The Board appointed Pamela Brewster and Matthew Nordby to serve on the Compensation Committee, with Pamela Brewster as chairperson. The Board appointed Matthew Nordby, Mark J. Nelson and Edward C. Forst to serve on the Nominating and Corporate Governance Committee, with Mark J. Nelson as chairperson.

Executive Officers

Effective as of the Closing, each of Lyndon Lea and Robert Darwent, resigned as the Chief Executive Officer and Chief Financial Officer of the Company, respectively. Effective as of the Closing, the Board appointed Craig M. Hurlbert to serve as Chairman of the Board and Co-Chief Executive Officer, Travis Joyner to serve as Co-Chief Executive Officer, Kathleen Valiasek to serve as Chief Financial Officer, Mark McKinney as Chief Operating Officer, B. David Vosburg Jr. as Chief Innovation Officer and Gary Hilberg as Chief Sustainability Officer. Biographical information for these individuals is set forth in the Proxy Statement/Prospectus in the section titled "*Management of New Local Bounti Following the Business Combination*" which information is incorporated herein by reference.

Director Compensation

The Board intends to adopt an Outside Director Compensation Policy (the "Policy"), which will set forth the terms upon which non-employee directors will be compensated for their service on the Board.

Executive Compensation

In October 2021, the Board adopted the 2021 Equity Incentive Plan (the "2021 Plan") and the 2021 Employee Stock Purchase Plan (the "ESPP") (the "Plans"), effective as of the Closing Date. The purpose of the Plans is to motivate and reward eligible officers and employees for their contributions toward the achievement of certain performance goals.

2021 Plan. In connection with the Business Combination, the Board and the Company's shareholders adopted the 2021 Plan in order to facilitate the grant of equity awards to attract, retain and incentivize employees (including the named executive officers), independent contractors and directors of New Local Bounti and its affiliates, which is essential to New Local Bounti's long term success. The 2021 Plan is a successor to New Local Bounti's prior Equity Incentive Plan, adopted in 2020 and last amended September 2021, as such Equity Incentive Plan may have been amended, supplemented or modified from time to time (the "Legacy Local Bounti Option Plan"), which was terminated as of the shareholders' adoption of the 2021 Plan, although all equity awards granted thereunder that were outstanding as of immediately prior to such date were assumed by the Company and continue to be subject to the terms and conditions as set forth in the agreements evidencing such equity awards and the terms of such plan.

ESPP. In connection with the Business Combination, the Board and the Company's shareholders adopted the ESPP in order to allow employees of New Local Bounti and its affiliates to purchase shares of Common Stock at a discount through payroll deductions and to benefit from stock price appreciation, thus enhancing the alignment of employee and stockholder interests.

The foregoing description of the Plans does not purport to be complete and are qualified in its entirety by reference to the full text of the 2021 Plan and ESPP, copies of which are attached hereto as Exhibits 10.7 and 10.8, respectively, and are incorporated herein by reference.

Employment Agreements

The Company has entered into employment agreements with each of its Chief Executive Officers and other executive employees, which became effective upon the completion of the Business Combination. Pursuant to each employment agreement, if the employee separates from service (i) due to termination by the Company for a reason other than (x) "Cause" (as defined in the employment agreement), (y) the employee becoming Disabled (as defined in the employment agreement) or (z) the employee's death, or (ii) due to resignation by the employee on account of Good Reason (as defined in the employment agreement) (each, an "Involuntary Termination") under either of the following circumstances, the employee will be entitled to their salary and other benefits accrued through the separation date and, subject to the employee executing a release and general waiver of claims in favor of the Company and adhering to the applicable restrictive covenants (other than with respect to accrued benefits), the employees will be entitled to the following respective additional severance benefits:

- if the Involuntary Termination occurs at any time other than at or during the 12-month period immediately following a Change in Control (as defined in the 2021 Plan), (a) continuing salary payments for a period of 6 months (12 months in the case of the Chief Executive Officers), (b) COBRA reimbursement payments for a period of 6 months (12 months in the case of the Chief Executive Officers), and (c) if the employee's termination date is at least 12 months following the employee's start date with the Company, all of employee's unvested and outstanding equity awards that would have become vested had employee remained in the employ of the Company for the 12-month period following the employee's termination of employment shall immediately vest and become exercisable as of the date of the employee's termination; and

- if the Involuntary Termination occurs during the 12-month period immediately following a Change in Control, then in lieu of the above, (a) a lump sum severance payment equal to 1.5 (2.0 in the case of the Chief Executive Officers) times the employee's base salary, (b) COBRA reimbursement payments for a period of 18 months (24 months in the case of the Chief Executive Officers), and (c) if the employee's termination date is at least 12 months following the employee's start date with the Company, all of employee's unvested and outstanding equity awards shall immediately vest and become exercisable as of the date of the employee's termination.

The foregoing description of the employment agreements is not complete and is qualified in its entirety by reference to the full text of such agreements, the forms of which are attached hereto as Exhibit 10.9 (with respect to the Chief Executive Officers) and Exhibit 10.10 (with respect to the Company's other executives) and incorporated herein by reference.

Transaction Bonus

Legacy Local Bounti's board of directors approved the allocation of $4.0 million of transaction bonuses in accordance with the terms of the Business Combination, which included a transaction bonus with respect to B. David Vosburg, one of our named executive officers, in the amount of $750 thousand in connection with the Business Combination, which will be paid in cash, less applicable tax withholding, as soon as practicable.

Certain Relationships and Related Transactions

Policies and procedures for related party transactions

New Local Bounti adopted a new written related party transaction policy to be effective upon the Closing. The policy provides that officers, directors, holders of more than 5% of any class of New Local Bounti's voting securities, and any member of the immediate family of and any entity affiliated with any of the foregoing persons, will not be permitted to enter into a related-party transaction with New Local Bounti without the prior consent of the audit committee, or other independent members of New Local Bounti's board of directors in the event it is inappropriate for the audit committee to review such transaction due to a conflict of interest. Any request for New Local Bounti to enter into a transaction with an executive officer, director, nominee to become a director of New Local Bounti, significant stockholder, or any of their immediate family members or affiliates, in which the amount involved exceeds $120,000, must first be presented to the audit committee for review, consideration, and approval. In approving or rejecting the proposed transactions, the audit committee will take into account all of the relevant facts and circumstances available.

BrightMark Partners, LLC Management Services Agreement

In August 2018, Legacy Local Bounti entered into a management services agreement with BrightMark for certain management services, including management, CFO, business, operational, strategic, and advisory services. The two managing partners of BrightMark, Craig M. Hurlbert and Travis Joyner, are the co-founders and co-CEOs of Legacy Local Bounti. Under the agreement, the management services would be provided for an initial term of three years that automatically renews for an additional one-year term. As consideration for management services, BrightMark billed Local Bounti on a monthly basis for services rendered pursuant to the management services agreement, plus costs and expenses. In March 2021, Legacy Local Bounti and BrightMark terminated the management services agreement.

For the years ended December 31, 2020 and 2019, Legacy Local Bounti incurred management fees of $628 thousand and $815 thousand, respectively. As of December 31, 2020, Legacy Local Bounti had accrued $833 thousand in unpaid fees owed to Brightmark. Craig M. Hurlbert and Travis Joyner each own the interest of half amount in the transactions based on the 50% ownership of BrightMark Partners, LLC from each of them.

BrightMark Partners LLC previously held shares of Legacy Local Bounti, but distributed the shares to Wheat Wind Farms, LLC and McLeod Management Co. LLC, which are controlled by Craig M. Hurlbert, the co-CEO of the combined company, and Travis Joyner, the co-CEO of the combined company, respectively.

Grow Bitterroot Sale Lease Back Transaction and Services Agreement

In June 2020, Legacy Local Bounti sold a greenhouse facility it had constructed to Grow Bitterroot, a related party created as a qualified opportunity zone fund by the co-CEOs of Legacy Local Bounti, Messrs. Hurlbert and Joyner, for a total consideration of $4.5 million. Concurrently, Legacy Local Bounti and Grow Bitterroot entered into an agreement, whereby Legacy Local Bounti leases land and the greenhouse facility from Grow Bitterroot. In addition, Legacy Local Bounti and Grow Bitterroot entered into a property maintenance and management services agreement under which Legacy Local Bounti will provide all property maintenance and management services, including business, operational, strategic and advisory services in exchange for an annual fee of $50 thousand. The property maintenance and management services agreement includes an initial term of three years which will renew automatically unless terminated by either party with 30 days' notice.

In July 2020, Legacy Local Bounti began providing development services to Grow Bitterroot in connection with the expansion of the Grow Bitterroot-owned greenhouse facility.

BrightMark Partners LLC Short-Term Lease Agreement

In December 2020, Legacy Local Bounti entered into a short-term lease agreement with BrightMark for commercial office space. The lease may be terminated at any time by either party upon 30 days' written notice. The monthly rent is $2,000 per month ($24,000 per year) during the period of this lease agreement.

McLeod Property HM LLC Commercial Lease

In June 15, 2021, Legacy Local Bounti entered into a commercial lease agreement with McLeod Property HM LLC located in Hamilton, MT, whose owner Bridget M. Joyner is the wife of Travis Joyner, the Co-CEO of Legacy Local Bounti. The lease has a one-year term commencing on June 15, 2021, and ending June 14, 2022 or upon lease termination. The lease may be terminated at any time by either party upon 30 days' written notice. The monthly rent is $3,250 per month and $39,000 per year during the period of this lease agreement.

Right of First Refusal, Co-Sale, and Pre-Emptive Rights Agreement

In July 2019, Legacy Local Bounti entered into a right of first refusal, co-sale, and pre-emptive rights agreement (the "ROFR") with certain holders of Legacy Local Bounti's capital stock including certain directors, officers and holders of 5% or more of Legacy Local Bounti's capital stock. These parties include Live Oak Ventures, LLC, Ron Ramsbacher, MSE Consulting, LLC, Brightmark Partners, LLC (prior to the distribution of shares to entities controlled by Craig Hurlbert and Travis Joyner in 2021), David Lincoln and Josh White. The ROFR was terminated in connection with the Closing.

Convertible Securities Financing

On April 19, 2021, Legacy Local Bounti issued and sold convertible securities (the "Convertible Securities") to Charles R. Schwab & Helen O. Schwab TTEE The Charles & Helen Schwab Living Trust U/A DTD 11/22/1985 (the "Charles Schwab 1985 Trust") in an aggregate principal amount of $10.0 million and Charles R. Schwab TTEE The Charles & Helen Schwab Living Trust U/A DTD 11/22/1985 in an aggregate principal amount of $5.0 million (together with Charles Schwab 1985 Trust, the "Convertible Note Holders"). Interest on the Convertible Securities accrued at a rate of 8%, computed on the basis of the actual number of days elapsed and a year of 365 days. The Convertible Notes Holders are affiliates and under common control with Live Oak Ventures, LLC, a Principal Stockholder of Legacy Local Bounti. The Convertible Securities mature twenty-four months from the issuance date. In the event that Legacy Local Bounti consummates a Qualified SPAC Transaction, and subject to the Convertible Notes Holders' right to redeem the Convertible Securities for cash (which will be waived prior to the Closing), the Convertible Securities convert into Local Bounti common stock at a conversion price equal to the product of (i) the value assigned to each share of common stock in such Qualified SPAC Transaction multiplied by (ii) 0.85. The Convertible Notes Holders will therefore be treated for all purposes as the record holder of the shares of Legacy Local Bounti common stock in connection with the consummation of a Qualified SPAC Transaction, which includes the Business Combination. For further information on these convertible securities, see the section entitled "*Local Bounti's Management's Discussion and Analysis of Financial Condition and Results of*

Operations—Financing arrangements—Convertible securities" and note 12 to our consolidated financial statements contained in the Proxy Statement/Prospectus.

Family Member

Rick D. Leggott is the control person of Bitterroot Partners, LLC, a Principal Stockholder of Local Bounti, and his immediate family member, Jeff Leggott, is currently a full-time employee of Local Bounti.

Director and Officer Indemnification

See the section entitled "*Description of Local Bounti Securities—Limitation on Liability and Indemnification of Officers and Directors*" for information on our indemnification arrangements with our directors and executive officers.

Legal Proceedings

Reference is made to the disclosure regarding legal proceedings of the Company in the section of the Proxy Statement/Prospectus titled "*Information About Local Bounti—Legal Proceedings*" and is incorporated herein by reference.

Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters

Prior to the Closing, the Company's units, publicly traded Class A Ordinary Shares and Public Warrants were listed on the NYSE under the symbols "LIII.U," "LIII" and "LIII WS," respectively. Upon the Closing, the Common Stock and Public Warrants were listed on NYSE under the symbols "LOCL" and "LOCL WS," respectively. The Company's publicly traded units automatically separated into their component securities upon the Closing and, as a result, no longer trade as a separate security and were delisted from NYSE.

The Company has not paid any cash dividends on shares of its Common Stock to date. The payment of any cash dividends in the future will be dependent upon the Company's revenues and earnings, if any, capital requirements and general financial condition. The payment of any dividends will be within the discretion of the Board.

Recent Sales of Unregistered Securities

Reference is made to the disclosure set forth under Item 3.02 of this Current Report on Form8-K concerning the issuance and sale by the Company of certain unregistered securities, which is incorporated herein by reference.

Description of Registrant's Securities

The description of the Company's securities is contained in the Proxy Statement/Prospectus in the section titled "*Description of New Local Bounti Securities*" beginning on page 304 and is incorporated herein by reference.

Indemnification of Directors and Officers

Information about indemnification of the Company's directors and officers is set forth in the Proxy Statement/Prospectus in the section titled "*Description of Local Bounti Securities—Limitation on Liability and Indemnification of Officers and Directors*" which information is incorporated herein by reference. The disclosure set forth in Item 1.01 of this Current Report on Form 8-K under the section titled "*Indemnification Agreements*" is incorporated herein by reference.

Financial Statements and Exhibits

The information set forth under Item 9.01 of this Current Report on Form8-K is incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities.

The disclosure set forth in the "Introductory Note—PIPE Financing" above is incorporated into this Item 3.02 by reference. The shares of New Local Bounti Common Stock issued in the PIPE Financing and the Transaction Fee Shares have not been registered under the Securities Act in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act.

Item 3.03 Material Modification to Rights of Security Holders.

The disclosure set forth under Item 5.03 of this Current Report on Form8-K is incorporated herein by reference.

Item 5.01. Changes in Control of Registrant.

The disclosure set forth in the "*Introductory Note*" above and in Item 2.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The disclosure set forth in Item 2.01 of this Current Report on Form8-K under the sections titled "*Directors and Executive Officers*," "*Director Compensation*" and "*Executive Compensation*" is incorporated herein by reference.

2021 Equity Incentive Plan

As previously disclosed, at the Extraordinary General Meeting, on November 16, 2021, the shareholders of the Company considered and approved the 2021 Plan. The 2021 Plan was previously approved, subject to stockholder approval, by the Board on October 19, 2021. The 2021 Plan became effective immediately upon the Closing.

A description of the 2021 Plan is included in the Proxy Statement/Prospectus in the section titled "*Proposal No. 6—The 2021 Plan Proposal*" which is incorporated herein by reference. The foregoing description of the 2021 Plan does not purport to be complete and is qualified in its entirety by the full text of the 2021 Plan and the related forms of award agreements under the 2021 Plan, which are attached hereto as Exhibit 10.6 and incorporated herein by reference.

2021 Employee Stock Purchase Plan

As previously disclosed, at the Extraordinary General Meeting, on November 16, 2021, the shareholders of the Company considered and approved the ESPP. The ESPP was previously approved, subject to stockholder approval, by the Board on October 19, 2021. The ESPP became effective immediately upon the Closing.

A description of the ESPP is included in the Proxy Statement/Prospectus in the section titled "*Proposal No. 8—The ESPP Proposal*" which is incorporated herein by reference. The foregoing description of the ESPP does not purport to be complete and is qualified in its entirety by the full text of the ESPP, which is attached hereto as Exhibit 10.7 and incorporated herein by reference.

Item 5.06. Change in Shell Company Status.

As a result of the Business Combination, the Company ceased being a shell company. Reference is made to the disclosure in the Proxy Statement/Prospectus in the sections titled "*Proposal No. 1—Business Combination Proposal*" beginning on page 102 and "*Proposal No. 2 — The Domestication Proposal*" beginning on page 142, which are incorporated herein by reference. Further, the information set forth in the Introductory Note and under Item 2.01 to this Current Report on Form 8-K is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

The consolidated financial statements of Legacy Local Bounti as of and for the years ended December 31, 2020 and 2019 included in the Proxy Statement/Prospectus beginning on page F-36 are incorporated herein by reference.

The unaudited condensed consolidated financial statements of Legacy Local Bounti for the nine months ended September 30, 2021 and 2020 are set forth in Exhibit 99.1 hereto and are incorporated herein by reference.

(b) Pro forma financial information.

The unaudited pro forma condensed combined financial information of the Company as of and for the nine months ended September 30, 2021 is set forth in Exhibit 99.2 hereto and is incorporated herein by reference.

(c) List of Exhibits.

Exhibit No.	Description
2.1*	Business Combination Agreement, dated as of June 17, 2021, by and among Leo Holdings III Corporation, First Merger Sub, Second Merger Sub and Local Bounti Corporation (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, filed with the Securities and Commission on June 21, 2021)
3.1	Certificate of Incorporation of Local Bounti Corporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the Securities and Commission on November 22, 2021)
3.2	Bylaws of Local Bounti Corporation (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form8-K, filed with the Securities and Commission on November 22, 2021)
4.1	Amended and Restated Warrant Agreement, dated November 19, 2021, by and among Local Bounti Corporation and Continental (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the Securities and Commission on November 22, 2021)
4.2	Specimen Warrant Certificate of the Registrant
4.3	Warrants, dated as of November 19, 2021, by and between Local Bounti Corporation and Cargill, Incorporated
10.1	Amended and Restated Registration Rights Agreement, dated as of November 19, 2021, by and among Local Bounti Corporation, Leo Holdings III Corporation and certain other parties (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the Securities and Commission on November 22, 2021)
10.2	Form of Lock-up Agreement (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form8-K, filed with the Securities and Commission on November 22, 2021)
10.3	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form8-K, filed with the Securities and Commission on November 22, 2021)
10.4	Sponsor Agreement, dated as of June 17, 2021, by and among Leo Investors III LP, Lori Bush, Mary E. Minnick, Mark Masinter, Scott Flanders, Imran Khan, Scott McNealy, Leo Holdings III Corp, and Local Bounti Corporation. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on June 21, 2021)
10.5	Senior Credit Agreement dated September 3, 2021 between Cargill Financial Services International, Inc. and Local Bounti Corporation along with certain subsidiaries (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-4, filed with the Securities and Exchange Commission on September 3, 2021)
10.6	Subordinated Credit Agreement dated September 3, 2021 between Cargill Financial Services International, Inc. and Local Bounti Corporation along with certain subsidiaries (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-4, filed with the Securities and Exchange Commission on September 3, 2021)
10.7†	New Local Bounti 2021 Equity Incentive Plan and related forms of award agreements
10.8†	New Local Bounti Employee Stock Purchase Plan
10.9†	Form of Employment Agreement with Chief Executive Officers of Local Bounti
10.10†	Form of Employment with Executive Officers (other than Chief Executive Officers) of Local Bounti
21.1	List of Subsidiaries
99.1	Unaudited condensed consolidated financial statements of Local Bounti Corporation, for the nine months ended September 30, 2021
99.2	Unaudited pro forma condensed consolidated combined financial information of Local Bounti Corporation, for the nine months ended September 30, 2021
104	Cover Page Interactive Data File (formatted as Inline XBRL)

* The schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(b)(2). The Company agrees to furnish supplementally a copy of any omitted schedule to the Securities and Exchange Commission upon its request.
† Indicates a management contract or compensatory plan, contract or arrangement.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Local Bounti Corporation

Date: November 24, 2021

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: Chief Financial Officer

[FACE]

Number

Warrants

THIS WARRANT SHALL BE VOID IF NOT EXERCISED PRIOR TO THE EXPIRATION OF THE EXERCISE PERIOD PROVIDED FOR IN THE WARRANT AGREEMENT DESCRIBED BELOW

LEO HOLDINGS III CORP
A Cayman Islands Exempted Company

CUSIP:[•]

Warrant Certificate

This Warrant Certificate certifies that [_____], or registered assigns, is the registered holder of [_____] warrant(s) evidenced hereby (the "***Warrants***" and each, a "***Warrant***") to purchase Class A ordinary shares, $0.0001 par value (the "***Ordinary Shares***"), of Leo Holdings III Corp, a Cayman Islands exempted company (the "***Company***"). Each Warrant entitles the holder, upon exercise during the period set forth in the Warrant Agreement referred to below, to receive from the Company that number of fully paid and non-assessable Ordinary Shares as set forth below, at the exercise price (the "***Exercise Price***") as determined pursuant to the Warrant Agreement, payable in lawful money (or through "***cashless exercise***" as provided for in the Warrant Agreement) of the United States of America upon surrender of this Warrant Certificate and payment of the Exercise Price at the office or agency of the Warrant Agent referred to below, subject to the conditions set forth herein and in the Warrant Agreement. Defined terms used in this Warrant Certificate but not defined herein shall have the meanings given to them in the Warrant Agreement.

Each whole Warrant is initially exercisable for one fully paid and non-assessable Ordinary Share. Fractional shares shall not be issued upon exercise of any Warrant. If, upon the exercise of Warrants, a holder would be entitled to receive a fractional interest in an Ordinary Share, the Company shall, upon exercise, round down to the nearest whole number the number of Ordinary Shares to be issued to the Warrant holder. The number of Ordinary Shares issuable upon exercise of the Warrants is subject to adjustment upon the occurrence of certain events set forth in the Warrant Agreement.

The initial Exercise Price per one Ordinary Share for any Warrant is equal to $11.50 per share. The Exercise Price is subject to adjustment upon the occurrence of certain events as set forth in the Warrant Agreement.

Subject to the conditions set forth in the Warrant Agreement, the Warrants may be exercised only during the Exercise Period and to the extent not exercised by the end of such Exercise Period, such Warrants shall become void. The Warrants may be redeemed, subject to certain conditions, as set forth in the Warrant Agreement.

Reference is hereby made to the further provisions of this Warrant Certificate set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Warrant Certificate shall not be valid unless countersigned by the Warrant Agent, as such term is used in the Warrant Agreement.

This Warrant Certificate shall be governed by and construed in accordance with the internal laws of the State of New York, without regard to conflicts of laws principles thereof.

LEO HOLDINGS III CORP

By: _____
Name: Simon Brown
Title: Secretary

CONTINENTAL STOCK TRANSFER
& TRUST COMPANY, as Warrant Agent

By: _____
Name:
Title:

Form of Warrant Certificate

[Reverse]

The Warrants evidenced by this Warrant Certificate are part of a duly authorized issue of Warrants entitling the holder on exercise to receive Ordinary Shares and are issued or to be issued pursuant to a Warrant Agreement dated as of February [ ], 2021 (the "***Warrant Agreement***"), duly executed and delivered by the Company to Continental Stock Transfer & Trust Company, a New York corporation, as warrant agent (the "***Warrant Agent***"), which Warrant Agreement is hereby incorporated by reference in and made a part of this instrument and is hereby referred to for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Warrant Agent, the Company and the holders (the words "***holders***" or "***holder***" meaning the Registered Holders or Registered Holder, respectively) of the Warrants. A copy of the Warrant Agreement may be obtained by the holder hereof upon written request to the Company. Defined terms used in this Warrant Certificate but not defined herein shall have the meanings given to them in the Warrant Agreement.

Warrants may be exercised at any time during the Exercise Period set forth in the Warrant Agreement. The holder of Warrants evidenced by this Warrant Certificate may exercise them by surrendering this Warrant Certificate, with the form of Election to Purchase set forth hereon properly completed and executed, together with payment of the Exercise Price as specified in the Warrant Agreement (or through "cashless exercise" as provided for in the Warrant Agreement) at the principal corporate trust office of the Warrant Agent. In the event that upon any exercise of Warrants evidenced hereby the number of Warrants exercised shall be less than the total number of Warrants evidenced hereby, there shall be issued to the holder hereof or his, her or its assignee, a new Warrant Certificate evidencing the number of Warrants not exercised.

Notwithstanding anything else in this Warrant Certificate or the Warrant Agreement, no Warrant may be exercised unless at the time of exercise (i) a registration statement covering the issuance of the Ordinary Shares to be issued upon exercise is effective under the Securities Act and (ii) a prospectus thereunder relating to the Ordinary Shares is current, except through "cashless exercise" as provided for in the Warrant Agreement.

The Warrant Agreement provides that upon the occurrence of certain events the number of Ordinary Shares issuable upon exercise of the Warrants set forth on the face hereof may, subject to certain conditions, be adjusted. If, upon exercise of a Warrant, the holder thereof would be entitled to receive a fractional interest in an Ordinary Share, the Company shall, upon exercise, round down to the nearest whole number of Ordinary Shares to be issued to the holder of the Warrant.

Warrant Certificates, when surrendered at the principal corporate trust office of the Warrant Agent by the Registered Holder thereof in person or by legal representative or attorney duly authorized in writing, may be exchanged, in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant Certificate or Warrant Certificates of like tenor evidencing in the aggregate a like number of Warrants.

Upon due presentation for registration of transfer of this Warrant Certificate at the office of the Warrant Agent a new Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants shall be issued to the transferee(s) in exchange for this Warrant Certificate, subject to the limitations provided in the Warrant Agreement, without charge except for any tax or other governmental charge imposed in connection therewith.

The Company and the Warrant Agent may deem and treat the Registered Holder(s) hereof as the absolute owner(s) of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone), for the purpose of any exercise hereof, of any distribution to the holder(s) hereof, and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary. Neither the Warrants nor this Warrant Certificate entitles any holder hereof to any rights of a shareholder of the Company.

Election to Purchase

(To Be Executed Upon Exercise of Warrant)

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, to receive [_____] Ordinary Shares and herewith tenders payment for such Ordinary Shares to the order of Leo Holdings III Corp (the **"Company"**) in the amount of $[_____] in accordance with the terms hereof. The undersigned requests that a certificate for such Ordinary Shares be registered in the name of [_____], whose address is [_____] and that such Ordinary Shares be delivered to [_____] whose address is [_____]. If said number of Ordinary Shares is less than all of the Ordinary Shares purchasable hereunder, the undersigned requests that a new Warrant Certificate representing the remaining balance of such Ordinary Shares be registered in the name of [_____], whose address is [_____] and that such Warrant Certificate be delivered to [_____], whose address is [_____].

In the event that the Warrant is to be exercised on a "cashless" basis pursuant toSection 7.4 of the Warrant Agreement, the number of Ordinary Shares that this Warrant is exercisable for shall be determined in accordance with Section 7.4 of the Warrant Agreement.

In the event that the Warrant may be exercised, to the extent allowed by the Warrant Agreement, through cashless exercise (i) the number of Ordinary Shares that this Warrant is exercisable for would be determined in accordance with the relevant section of the Warrant Agreement which allows for such cashless exercise and (ii) the holder hereof shall complete the following: The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, through the cashless exercise provisions of the Warrant Agreement, to receive Ordinary Shares. If said number of shares is less than all of the Ordinary Shares purchasable hereunder (after giving effect to the cashless exercise), the undersigned requests that a new Warrant Certificate representing the remaining balance of such Ordinary Shares be registered in the name of [_____], whose address is [_____] and that such Warrant Certificate be delivered to [_____], whose address is [_____].

[Signature Page Follows]

Date: _____, 20___

(Signature)

_____

_____

_____

(Address)

_____

(Tax Identification Number)

Signature Guaranteed:

_____

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED).

EXHIBIT B

LEGEND

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE. IN ADDITION, SUBJECT TO ANY ADDITIONAL LIMITATIONS ON TRANSFER DESCRIBED IN THE LETTER AGREEMENT BY AND AMONG LEO HOLDINGS III CORP (THE "COMPANY"), LEO INVESTORS II LIMITED PARTNERSHIP AND THE OTHER PARTIES THERETO, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD OR TRANSFERRED PRIOR TO THE DATE THAT IS THIRTY (30) DAYS AFTER THE DATE UPON WHICH THE COMPANY COMPLETES ITS INITIAL BUSINESS COMBINATION (AS DEFINED IN SECTION 3 OF THE WARRANT AGREEMENT REFERRED TO HEREIN) EXCEPT TO A PERMITTED TRANSFEREE (AS DEFINED IN SECTION 2 OF THE WARRANT AGREEMENT) WHO AGREES IN WRITING WITH THE COMPANY TO BE SUBJECT TO SUCH TRANSFER PROVISIONS.

SECURITIES EVIDENCED BY THIS CERTIFICATE AND CLASS A ORDINARY SHARES OF THE COMPANY ISSUED UPON EXERCISE OF SUCH SECURITIES SHALL BE ENTITLED TO REGISTRATION RIGHTS UNDER A REGISTRATION AND SHAREHOLDER RIGHTS AGREEMENT TO BE EXECUTED BY THE COMPANY."

No. _____ Warrants

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER AND ANY SHARES ISSUABLE UPON CONVERSION THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTION 5.2 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE STOCK

Company: Local Bounti Corporation, a Delaware corporation

Number of Shares: 294,118, subject to adjustment as provided in this Warrant

Type/Series of Stock: Common Stock, par value $0.0001 per share, subject to adjustment as provided in this Warrant

Warrant Price: $8.50 per share, subject to adjustment as provided in this Warrant

Issue Date: November 19, 2021

Expiration Date: Five years following the Issue Date. See also Sections 1.7(a) and 5.1(a).

Background: This Warrant to Purchase Stock ("**Warrant**") is issued in connection with that certain Warrant Agreement, dated as of March 22, 2021 (the "**Warrant Agreement**") between Local Bounti Corporation and Holder (as defined below)

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, Cargill Financial Services International, Inc. (together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, "**Holder**"), is entitled to purchase up to the number of fully paid and non-assessable shares (the "**Shares**") of the Type/Series of Stock (the "**Class**") provided for above of Local Bounti Corporation, a Delaware corporation (the "**Company**"), at the Warrant Price provided for above, all as set forth in, as adjusted pursuant to, and upon the terms and conditions set forth in this Warrant.

SECTION 1. EXERCISE.

1.1 Vesting. As of the Issue Date of this Warrant set forth above, all of the Shares are vested and exercisable.

1.2 Method of Exercise. Holder may, from time to time, during the Exercise Period (as defined below), exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.3, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.3 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.2 above, but otherwise in accordance with the requirements of Section 1.2, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

$$X = Y(A-B)/A$$

where:

X = the number of Shares to be issued to the Holder;

Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);

A = the Fair Market Value (as determined pursuant to Section 1.4 below) of one Share; and

B = the Warrant Price.

1.4 Fair Market Value. If the Common Stock is then traded on a nationally recognized securities exchange (a "**Trading Market**") and the Class is Common Stock, then the fair market value of a Share shall be the closing price or last sale price of a share of the Common Stock reported for the trading day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If the Common Stock is then traded on a Trading Market and the Class is convertible into Common Stock, then the fair market value of a Share shall be the closing price or last sale price of a share of the Common Stock reported for the trading day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company multiplied by the number of shares of Common Stock into which a Share is then convertible. If the Common Stock is not traded in a Trading Market, then the Board of Directors of the Company (the "**Board**") shall determine the fair market value of a Share in its reasonable good faith judgment.

1.5 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.2 or 1.3 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired.

1.6 Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.7 Mandatory Exercise Transactions; Other Acquisitions.

(a) Mandatory Exercise Transactions. So long as this Warrant is outstanding, if the Company proposes to enter into a Mandatory Exercise Transaction (as defined below), then this Warrant shall automatically be deemed to be Cashless Exercised pursuant to Section 1.3 above as to all Shares effective immediately prior to, and contingent upon, the consummation of such Mandatory Exercise Transaction. In connection with such Cashless Exercise, Holder shall be deemed to have restated each of

the representations and warranties in Section 4 of the Warrant as the date thereof and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon exercise. In the event of a Mandatory Exercise Transaction where the fair market value of one Share as determined in accordance with Section 1.4 above would be less than the Warrant Price in effect immediately prior to such Mandatory Exercise Transaction, then this Warrant will expire immediately prior to the consummation of such Mandatory Exercise Transaction. Notwithstanding anything set forth in Section 1.5, no certificate representing the Shares shall be required to be delivered to the extent that such Mandatory Exercise Transaction will result in all of the outstanding shares of the Class being reclassified, exchanged, combined, substituted, or replaced for, into, with or by securities of a different class and/or series and Holder shall instead participate in such Mandatory Exercise Transaction on the same terms as other holders of outstanding shares of the Class.

(b) Certain Definitions. For the purposes of this Warrant:

(i) "**Acquisition**" means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company on a consolidated basis; (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company's domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company's (or the surviving or successor entity's or, if the surviving or successor entity is a wholly-owned subsidiary, its parent's) outstanding voting power immediately after such merger, consolidation or reorganization; or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company's then-total outstanding combined voting power; *provided*, *however*, that an "Acquisition" shall not include a Qualified SPAC Transaction.

(ii) "**Mandatory Exercise Transaction**" means the occurrence of any of the following: (x) the consummation of an Acquisition in which the consideration to be received by the Company's stockholders consists solely of cash (a "**Cash Acquisition**); or (y) the consummation by the Company of a plan of complete liquidation or dissolution of such the Company.

(c) Treatment on Other Acquisitions. Upon the closing of a Qualified SPAC Transaction or any other Acquisition other than a Cash Acquisition, the acquiring, surviving or successor entity shall assume the obligations of this Warrant, and this Warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

1.8 Stockholder Agreements. As a condition precedent to any exercise of this Warrant into or for the Shares, Holder (or such other person or persons in whose name(s) any certificate(s) representing the Shares shall be issuable upon exercise of this Warrant) shall be required to execute and become a party to any voting agreement, investors' rights agreement, registration rights agreement, right of first refusal and co-sale agreement of the Company that the holders of the Class who are financial investors are then generally a party thereto, unless such Holder is already a party thereto.

SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If, on or after the Issue Date, the Company declares or pays a dividend or distribution on the outstanding shares of the Class payable in common stock or other securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If, on or after the Issue Date, the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If, on or after the Issue Date, the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Class are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations, substitutions, replacements or other similar events.

2.3 Conversion of Preferred Stock. If the Class is a class and series of the Company's preferred stock that is convertible into Common Stock, if all outstanding shares of the Class are converted, automatically or by action of the holders thereof, into Common Stock pursuant to the provisions of the Company's Certificate of Incorporation, including in connection with the Company's initial, underwritten public offering and sale of Common Stock pursuant to an effective registration statement under the Act (the "**IPO**"), then from and after the date on which all outstanding shares of the Class have been so converted (and to the extent a Mandatory Exercise Transaction shall not have occurred), this Warrant shall be exercisable for such number of shares of Common Stock into which the Shares would have been converted had the Shares been outstanding on the date of such conversion, and the Warrant Price shall equal the Warrant Price in effect as of immediately prior to such conversion divided by the number of shares of Common Stock into which one Share would have been converted, all subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant.

2.4 Adjustments for Diluting Issuances. Without duplication of any adjustment otherwise provided for in this Section 2, the number of shares of Common Stock issuable upon conversion of the Shares shall be subject to anti-dilution adjustment from time to time in the manner as may be set forth in the Company's Certificate of Incorporation as if the Shares were issued and outstanding on and as of the date of any such required adjustment.

2.5 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.4 above) of a full Share, less (ii) the then-effective Warrant Price.

2.6 Notice/Certificate as to Determinations and Adjustments. Upon each determination or adjustment of the Warrant Price, Class and/or number of Shares, the Company, at the Company's expense, shall notify Holder in writing within seven (7) Business Days (as defined in the Credit Agreement) setting forth the determinations or adjustments to the Warrant Price, Class and/or number of Shares and facts upon which such determination or adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such determination or adjustment and the Warrant Price, Class and number of Shares in effect upon the date of such determination or adjustment.

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) All Shares which may be issued upon the exercise of this Warrant, and all securities, if any, issuable upon conversion of the Shares, shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of shares of the Class, Common Stock and other securities as will be sufficient to permit the exercise in full of this Warrant and the conversion of the Shares into Common Stock or such other securities.

(b) If any securities to be reserved for the purpose of exercise of this Warrant require approvals or registrations under applicable state "blue sky" or federal securities laws, the Company will use its commercially reasonable efforts to obtain such approvals or registrations as may be appropriate.

(c) All corporate action required to be taken by the Board and stockholders in order to authorize the Company to enter into this Warrant, and to issue this Warrant and Shares which may be issued upon the exercise of this Warrant acquirable upon exercise hereof, and any securities issuable upon conversion of such Shares, has been taken or will be taken prior to the Issue Date. All action on the part of the officers of the Company necessary for the execution and delivery of this Warrant and the performance of all obligations of the Company hereunder has been taken. This Warrant constitutes a valid and legally binding obligation of the Company, enforceable against the Company in accordance with its terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally and (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

(d) Assuming the accuracy of the Holder's representations and warranties in Section 4, the execution, delivery and performance of this Warrant will not result in any violation or be in conflict with or constitute, with or without the passage of time and giving of notice, (i) a default under any law applicable to the Company or any instrument, judgment, order, writ, decree, contract or agreement

to which the Company is a party or by which its assets are bound except such defaults as would not reasonably be expected to materially and adversely affect the Company; or (ii) an event which results in the creation of any lien, charge or encumbrance upon any assets of the Company or the suspension, revocation, forfeiture, or nonrenewal of any material permit or license applicable to the Company.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Class or the Common Stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares of the Class any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Class;

(d) effect a Qualified SPAC Transaction or any other Acquisition or to liquidate, dissolve or wind up; or

(e) effect an IPO;

then, in connection with each such event, the Company shall give Holder:

(1) in the case of the matters referred to in (a) and (b) above, at least seven (7) Business Days prior written notice of the earlier to occur of the effective date thereof or the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Class will be entitled thereto) or for determining rights to vote, if any;

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event and such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such event giving rise to the notice); and

(3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

The Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder's accounting or reporting requirements.

SECTION 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the securities to be acquired upon exercise of this Warrant and any securities to be acquired upon conversion thereof by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof and any securities exercisable upon conversion thereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof and any securities exercisable upon conversion thereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available.

4.6 No Stockholder Rights. Without limiting any term or provision of this Warrant, Holder agrees that, as a Holder of this Warrant, it will not have any rights as a stockholder in respect of the Shares issuable on exercise hereof until the exercise of this Warrant.

SECTION 5. MISCELLANEOUS.

5.1 Term; Automatic Cashless Exercise Upon Expiration.

(a) Term. Subject to the provisions of Section 1.7 above, this Warrant is exercisable in whole or in part at any time and from time to time on or after Issue Date and on or before 5:00 PM, Central time, on the Expiration Date (such period being the "**Exercise Period**") and shall be void after the end of the Exercise Period.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.4 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.3 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares (or such other securities) issued upon such exercise to Holder.

5.2 Transfer Procedure. Sections 5 and 6 of the Warrant Agreement shall govern the transfer of all or part of this Warrant by the Holder. In connection with any proposed transfer, the Holder will give the Company notice of the portion of the Warrant proposed to be transferred (which shall be in the form attached hereto as Appendix 2 and shall be accompanied by surrender of this Warrant for reissuance to the transferee(s) (and Holder if applicable)).

5.3 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.3. All notices to the Holder shall be addressed as follows until the Company receives notice of a change in address:

Cargill Financial Services International, Inc.
Attn: Erik Haugen
9320 Excelsior Boulevard
MS 142
Hopkins, MN 55343
Telephone: 952-984-0574
Facsimile: 952-249-4416
Email: Erik_Haugen@cargill.com

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

Local Bounti Corporation
Attn: Kathleen Valiasek
490 Foley Lane
Hamilton, MT 59840
Telephone: (650) 713-7086
Email: kathy@localbounti.com

with a copy to:

Orrick, Herrington & Sutcliffe LLP
Attention: Albert W. Vanderlaan
222 Berkeley St, Suite 2000
Boston, MA 02116
Attention Telephone: (617) 880-2219;
Email: avanderlaan@orrick.com

5.4 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.5 Attorneys' Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.6 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.7 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to its principles regarding conflicts of law.

5.8 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.9 Definitions; Interpretation. Capitalized terms used and not defined herein have the respective meanings given to such terms in the Warrant Agreement (or, if not specifically defined therein, in the Credit Agreement). In the event that the last day for performance of an act or the exercise of a right hereunder falls on a day other than a Business Day, then the last day for such performance shall be the first Business Day immediately following the otherwise last day for such performance or such exercise.

[Remainder of page left blank intentionally; signature page follows]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

"COMPANY"

LOCAL BOUNTI CORPORATION

By: _____
Name: _____
(Print)
Title:

"HOLDER"

CARGILL FINANCIAL SERVICES INTERNATIONAL, INC.

By: _____
Name: _____
(Print)
Title:

APPENDIX 1

NOTICE OF EXERCISE

1. The undersigned Holder hereby exercises its right to purchase _____ shares of the Common Stock, par value $0.0001 per share, of Local Bounti Corporation (the "**Company**") in accordance with the attached Warrant to Purchase Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

[ ] check in the amount of $_____ payable to order of the Company enclosed herewith

[ ] Wire transfer of immediately available funds to the Company's account

[ ] Cashless Exercise pursuant to Section 1.3 of the Warrant

[ ] Other [Describe] _____

2. Please issue a certificate or certificates representing the Shares in the name specified below:

_____

Holder's Name

_____

_____

(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Stock as of the date hereof.

HOLDER:

_____

By: _____

Name: _____

Title: _____

(Date): _____

APPENDIX 2

FORM OF TRANSFER

(To be signed only upon transfer of Warrant)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the right represented by the attached Warrant to purchase _____ shares of the Common Stock, par value $0.0001 per share, of Local Bounti Corporation (the "**Company**") to which the attached Warrant relates, and appoints _____ Attorney to transfer such right on the books of the Company, with full power of substitution in the premises.

Dated:_____

(Signature must conform in all respects to name of Holder as specified on the face of the Warrant)

Address:

Signed in the presence of:

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER AND ANY SHARES ISSUABLE UPON CONVERSION THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTION 5.2 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE STOCK

Company: Local Bounti Corporation, a Delaware corporation

Number of Shares: 411,765, subject to adjustment as provided in this Warrant

Type/Series of Stock: Common Stock, par value $0.0001 per share, subject to adjustment as provided in this Warrant

Warrant Price: $8.50 per share, subject to adjustment as provided in this Warrant

Issue Date: November 19, 2021

Expiration Date: Five years following the Issue Date. See also Sections 1.7(a) and 5.1(a).

Background: This Warrant to Purchase Stock ("**Warrant**") is issued in connection with that certain Warrant Agreement, dated as of September 3, 2021 (the "**Warrant Agreement**"), between Local Bounti Corporation and Holder (as defined below)

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, Cargill Financial Services International, Inc. (together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, "**Holder**"), is entitled to purchase up to the number of fully paid and non-assessable shares (the "**Shares**") of the Type/Series of Stock (the "**Class**") provided for above of Local Bounti Corporation, a Delaware corporation (the "**Company**"), at the Warrant Price provided for above, all as set forth in, as adjusted pursuant to, and upon the terms and conditions set forth in this Warrant.

SECTION 1. EXERCISE.

1.1 Vesting. As of the Issue Date of this Warrant set forth above, all of the Shares are vested and exercisable.

1.2 Method of Exercise. Holder may, from time to time, during the Exercise Period (as defined below), exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.3, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.3 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.2 above, but otherwise in accordance with the requirements of Section 1.2, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

$$X = Y(A-B)/A$$

where:

X = the number of Shares to be issued to the Holder;

Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);

A = the Fair Market Value (as determined pursuant to Section 1.4 below) of one Share; and

B = the Warrant Price.

1.4 Fair Market Value. If the Common Stock is then traded on a nationally recognized securities exchange (a "**Trading Market**") and the Class is Common Stock, then the fair market value of a Share shall be the closing price or last sale price of a share of the Common Stock reported for the trading day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If the Common Stock is then traded on a Trading Market and the Class is convertible into Common Stock, then the fair market value of a Share shall be the closing price or last sale price of a share of the Common Stock reported for the trading day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company multiplied by the number of shares of Common Stock into which a Share is then convertible. If the Common Stock is not traded in a Trading Market, then the Board of Directors of the Company (the "**Board**") shall determine the fair market value of a Share in its reasonable good faith judgment.

1.5 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.2 or 1.3 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired.

1.6 Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.7 Mandatory Exercise Transactions; Other Acquisitions.

(a) Mandatory Exercise Transactions. So long as this Warrant is outstanding, if the Company proposes to enter into a Mandatory Exercise Transaction (as defined below), then this Warrant shall automatically be deemed to be Cashless Exercised pursuant to Section 1.3 above as to all Shares effective immediately prior to, and contingent upon, the consummation of such Mandatory Exercise

Transaction. In connection with such Cashless Exercise, Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as the date thereof and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon exercise. In the event of a Mandatory Exercise Transaction where the fair market value of one Share as determined in accordance with Section 1.4 above would be less than the Warrant Price in effect immediately prior to such Mandatory Exercise Transaction, then this Warrant will expire immediately prior to the consummation of such Mandatory Exercise Transaction. Notwithstanding anything set forth in Section 1.5, no certificate representing the Shares shall be required to be delivered to the extent that such Mandatory Exercise Transaction will result in all of the outstanding shares of the Class being reclassified, exchanged, combined, substituted, or replaced for, into, with or by securities of a different class and/or series and Holder shall instead participate in such Mandatory Exercise Transaction on the same terms as other holders of outstanding shares of the Class.

(b) Certain Definitions. For the purposes of this Warrant:

(i) "**Acquisition**" means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company on a consolidated basis; (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company's domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company's (or the surviving or successor entity's or, if the surviving or successor entity is a wholly-owned subsidiary, its parent's) outstanding voting power immediately after such merger, consolidation or reorganization; or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company's then-total outstanding combined voting power; *provided*, *however*, that an "Acquisition" shall not include a Qualified SPAC Transaction.

(ii) "**Mandatory Exercise Transaction**" means the occurrence of any of the following: (x) the consummation of an Acquisition in which the consideration to be received by the Company's stockholders consists solely of cash (a "**Cash Acquisition**); or (y) the consummation by the Company of a plan of complete liquidation or dissolution of such the Company.

(c) Treatment on Other Acquisitions. Upon the closing of a Qualified SPAC Transaction or any other Acquisition other than a Cash Acquisition, the acquiring, surviving or successor entity shall assume the obligations of this Warrant, and this Warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

1.8 Stockholder Agreements. As a condition precedent to any exercise of this Warrant into or for the Shares, Holder (or such other person or persons in whose name(s) any certificate(s) representing the Shares shall be issuable upon exercise of this Warrant) shall be required to execute and become a party to any voting agreement, investors' rights agreement, registration rights agreement, right of first refusal and co-sale agreement of the Company that the holders of the Class who are financial investors are then generally a party thereto, unless such Holder is already a party thereto.

SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If, on or after the Issue Date, the Company declares or pays a dividend or distribution on the outstanding shares of the Class payable in common stock or other securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If, on or after the Issue Date, the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If, on or after the Issue Date, the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Class are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations, substitutions, replacements or other similar events.

2.3 Conversion of Preferred Stock. If the Class is a class and series of the Company's preferred stock that is convertible into Common Stock, if all outstanding shares of the Class are converted, automatically or by action of the holders thereof, into Common Stock pursuant to the provisions of the Company's Certificate of Incorporation, including in connection with the Company's initial, underwritten public offering and sale of Common Stock pursuant to an effective registration statement under the Act (the "**IPO**"), then from and after the date on which all outstanding shares of the Class have been so converted (and to the extent a Mandatory Exercise Transaction shall not have occurred), this Warrant shall be exercisable for such number of shares of Common Stock into which the Shares would have been converted had the Shares been outstanding on the date of such conversion, and the Warrant Price shall equal the Warrant Price in effect as of immediately prior to such conversion divided by the number of shares of Common Stock into which one Share would have been converted, all subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant.

2.4 Adjustments for Diluting Issuances. Without duplication of any adjustment otherwise provided for in this Section 2, the number of shares of Common Stock issuable upon conversion of the Shares shall be subject to anti-dilution adjustment from time to time in the manner as may be set forth in the Company's Certificate of Incorporation as if the Shares were issued and outstanding on and as of the date of any such required adjustment.

2.5 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.4 above) of a full Share, less (ii) the then-effective Warrant Price.

2.6 Notice/Certificate as to Determinations and Adjustments. Upon each determination or adjustment of the Warrant Price, Class and/or number of Shares, the Company, at the Company's expense, shall notify Holder in writing within seven (7) Business Days (as defined in the Credit Agreement) setting forth the determinations or adjustments to the Warrant Price, Class and/or number of Shares and facts upon which such determination or adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such determination or adjustment and the Warrant Price, Class and number of Shares in effect upon the date of such determination or adjustment.

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) All Shares which may be issued upon the exercise of this Warrant, and all securities, if any, issuable upon conversion of the Shares, shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of shares of the Class, Common Stock and other securities as will be sufficient to permit the exercise in full of this Warrant and the conversion of the Shares into Common Stock or such other securities.

(b) If any securities to be reserved for the purpose of exercise of this Warrant require approvals or registrations under applicable state "blue sky" or federal securities laws, the Company will use its commercially reasonable efforts to obtain such approvals or registrations as may be appropriate.

(c) All corporate action required to be taken by the Board and stockholders in order to authorize the Company to enter into this Warrant, and to issue this Warrant and Shares which may be issued upon the exercise of this Warrant acquirable upon exercise hereof, and any securities issuable upon conversion of such Shares, has been taken or will be taken prior to the Issue Date. All action on the part of the officers of the Company necessary for the execution and delivery of this Warrant and the performance of all obligations of the Company hereunder has been taken. This Warrant constitutes a valid and legally binding obligation of the Company, enforceable against the Company in accordance with its terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally and (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

(d) Assuming the accuracy of the Holder's representations and warranties in Section 4, the execution, delivery and performance of this Warrant will not result in any violation or be in conflict with or constitute, with or without the passage of time and giving of notice, (i) a default under any law applicable to the Company or any instrument, judgment, order, writ, decree, contract or agreement to which the Company is a party or by which its assets are bound except such defaults as would not reasonably be expected to materially and adversely affect the Company; or (ii) an event which results in the creation of any lien, charge or encumbrance upon any assets of the Company or the suspension, revocation, forfeiture, or nonrenewal of any material permit or license applicable to the Company.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Class or the Common Stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares of the Class any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Class;

(d) effect a Qualified SPAC Transaction or any other Acquisition or to liquidate, dissolve or wind up; or

(e) effect an IPO;

then, in connection with each such event, the Company shall give Holder:

(1) in the case of the matters referred to in (a) and (b) above, at least seven (7) Business Days prior written notice of the earlier to occur of the effective date thereof or the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Class will be entitled thereto) or for determining rights to vote, if any;

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event and such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such event giving rise to the notice); and

(3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

The Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder's accounting or reporting requirements.

SECTION 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the securities to be acquired upon exercise of this Warrant and any securities to be acquired upon conversion thereof by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof and any securities exercisable upon conversion thereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof and any securities exercisable upon conversion thereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available.

4.6 No Stockholder Rights. Without limiting any term or provision of this Warrant, Holder agrees that, as a Holder of this Warrant, it will not have any rights as a stockholder in respect of the Shares issuable on exercise hereof until the exercise of this Warrant.

SECTION 5. MISCELLANEOUS.

5.1 Term; Automatic Cashless Exercise Upon Expiration.

(a) Term. Subject to the provisions of Section 1.7 above, this Warrant is exercisable in whole or in part at any time and from time to time on or after Issue Date and on or before 5:00 PM, Central time, on the Expiration Date (such period being the "**Exercise Period**") and shall be void after the end of the Exercise Period.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.4 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.3 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares (or such other securities) issued upon such exercise to Holder.

5.2 Transfer Procedure. Sections 5 and 6 of the Warrant Agreement shall govern the transfer of all or part of this Warrant by the Holder. In connection with any proposed transfer, the Holder will give the Company notice of the portion of the Warrant proposed to be transferred (which shall be in the form attached hereto as Appendix 2 and shall be accompanied by surrender of this Warrant for reissuance to the transferee(s) (and Holder if applicable)).

5.3 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.3. All notices to the Holder shall be addressed as follows until the Company receives notice of a change in address:

Cargill Financial Services International, Inc.
Attn: Erik Haugen
9320 Excelsior Boulevard
MS 142
Hopkins, MN 55343
Telephone: 952-984-0574
Facsimile: 952-249-4416
Email: Erik_Haugen@cargill.com

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

Local Bounti Corporation
Attn: Kathleen Valiasek
490 Foley Lane
Hamilton, MT 59840
Telephone: (650) 713-7086
Email: kathy@localbounti.com

with a copy to:

Orrick, Herrington & Sutcliffe LLP
Attention: Albert W. Vanderlaan
222 Berkeley St, Suite 2000
Boston, MA 02116
Attention Telephone: (617) 880-2219;
Email: avanderlaan@orrick.com

5.4 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.5 Attorneys' Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.6 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.7 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to its principles regarding conflicts of law.

5.8 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.9 Definitions; Interpretation. Capitalized terms used and not defined herein have the respective meanings given to such terms in the Warrant Agreement (or, if not specifically defined therein, in the Credit Agreement). In the event that the last day for performance of an act or the exercise of a right hereunder falls on a day other than a Business Day, then the last day for such performance shall be the first Business Day immediately following the otherwise last day for such performance or such exercise.

[Remainder of page left blank intentionally; signature page follows]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

"COMPANY"

LOCAL BOUNTI CORPORATION

By: _____
Name: _____
(Print)
Title:

"HOLDER"

CARGILL FINANCIAL SERVICES INTERNATIONAL, INC.

By: _____
Name: _____
(Print)
Title:

APPENDIX 1

NOTICE OF EXERCISE

1. The undersigned Holder hereby exercises its right to purchase _____ shares of the Common Stock, par value $0.0001 per share, of Local Bounti Corporation (the "**Company**") in accordance with the attached Warrant to Purchase Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

[ ] check in the amount of $_____ payable to order of the Company enclosed herewith

[ ] Wire transfer of immediately available funds to the Company's account

[ ] Cashless Exercise pursuant to Section 1.3 of the Warrant

[ ] Other [Describe] _____

2. Please issue a certificate or certificates representing the Shares in the name specified below:

_____

Holder's Name

_____

_____

(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Stock as of the date hereof.

HOLDER:

_____

By: _____

Name: _____

Title: _____

(Date): _____

APPENDIX 2

FORM OF TRANSFER

(To be signed only upon transfer of Warrant)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the right represented by the attached Warrant to purchase _____ shares of the Common Stock, par value $0.0001 per share, of Local Bounti Corporation (the "**Company**") to which the attached Warrant relates, and appoints _____ Attorney to transfer such right on the books of the Company, with full power of substitution in the premises.

Dated:_____

(Signature must conform in all respects to name of Holder as specified on the face of the Warrant)

Address:

Signed in the presence of:

Exhibit 10.7

LOCAL BOUNTI CORPORATION

2021 EQUITY INCENTIVE PLAN

1. Purposes of the Plan. The purposes of this Plan are (a) to attract and retain the best available personnel to ensure the Company's success and accomplish the Company's goals; (b) to incentivize Employees, Directors and Independent Contractors with long-term equity-based compensation to align their interests with the Company's stockholders; and (c) to promote the success of the Company's business.

The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Stock Bonuses and Performance Cash Bonuses.

2. Definitions. As used herein, the following definitions will apply:

(a) "***Administrator***" means the Board or the Committee that will be administering the Plan, in accordance with Section 4 of the Plan.

(b) "***Affiliate***" means a Parent, a Subsidiary or any corporation or other entity that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company.

(c) "***Applicable Laws***" means all applicable laws, rules, regulations and requirements, including, but not limited to, all applicable U.S. federal or state laws, rules and regulations, the rules and regulations of any stock exchange or quotation system on which the Common Stock is listed or quoted, and the applicable laws, rules and regulations of any other country or jurisdiction where Awards are, or will be, granted under the Plan or Participants reside or provide services to the Company or any Affiliate, as such laws, rules and regulations shall be in effect from time to time.

(d) "***Award***" means, individually or collectively, a grant under the Plan of Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Stock Bonuses or Performance Cash Bonuses.

(e) "***Award Agreement***" means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(f) "***Board***" means the Board of Directors of the Company.

(g) "***Cause***" means, with respect to the termination of a Participant's status as a Service Provider, except as otherwise defined in an Award Agreement, (i) in the case where there is no employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company or an Affiliate of the Company and the Participant at the time of the grant of the Award (or where there is such an agreement but it does not define "cause" (or words of like import) or where it only applies upon the occurrence of a change in control and one has not yet taken place): (A) any material breach by Participant of any material written agreement between Participant and the Company; (B) any failure by Participant to comply with the Company's material written policies or rules as they may be in effect from time to time; (C) neglect or persistent unsatisfactory performance of Participant's duties; (D) Participant's repeated failure to follow reasonable and lawful instructions from the Board or Chief Executive

Officer; (E) Participant's indictment for, conviction of, or plea of guilty or nolo contendere to, any felony or crime that results in, or is reasonably expected to result in, a material adverse effect on the business or reputation of the Company; (F) Participant's commission of or participation in an act of fraud against the Company; (G) Participant's commission of or participation in an act that results in material damage to the Company's business, property or reputation; or (H) Participant's unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom the Participant owes an obligation of nondisclosure as a result of his or her relationship with the Company; or (ii) in the case where there is an employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company or an Affiliate and the Participant at the time of the grant of the Award that defines "cause" (or words of like import), "cause" as defined under such agreement; provided, however, that with regard to any agreement under which the definition of "cause" only applies on occurrence of a change in control, such definition of "cause" shall not apply until a change in control actually takes place and then only with regard to a termination thereafter. For purposes of clarity, a termination without "***Cause***" does not include any termination that occurs solely as a result of Participant's death or Disability. The determination as to whether a Participant's status as a Service Provider for purposes of the Plan has been terminated for Cause shall be made in good faith by the Company and shall be final and binding on the Participant. The foregoing definition does not in any way limit the Company's ability (or that of any Affiliate or any successor thereto, as appropriate) to terminate a Participant's employment or consulting relationship at any time, subject to Applicable Laws.

(h) "***Change in Control***" except as may otherwise be provided in an Award Agreement or other applicable agreement, means the occurrence of any of the following:

(i) The consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if the Company's stockholders immediately prior to such merger, consolidation or reorganization cease to directly or indirectly own immediately after such merger, consolidation or reorganization at least a majority of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, consolidation or reorganization;

(ii) The consummation of the sale, transfer or other disposition of all or substantially all of the Company's assets (other than (A) to a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company, (B) to a corporation or other entity owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the Common Stock of the Company or (C) to a continuing or surviving entity described in Section 2(h)(i) above in connection with a merger, consolidation or reorganization which does not result in a Change in Control under Section 2(h)(i));

(iii) A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; or

(iv) The consummation of any transaction as a result of which any Person becomes the "beneficial owner" (as defined inRule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing at least fifty percent (50%) of the total voting power represented by the Company's then outstanding voting securities. For purposes of this Section 2(h), the term "***Person***" shall have the same meaning as when used in Sections 13(d) and 14(d) of the Exchange Act but shall exclude:

(A) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or an Affiliate;

(B) a corporation or other entity owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the Common Stock of the Company;

(C) the Company; and

(D) a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transactions. In addition, if any Person (as defined above) is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered to cause a Change in Control. If required for compliance with Section 409A of the Code, in no event will a Change in Control be deemed to have occurred if such transaction is not also a "change in the ownership or effective control of" the Company or "a change in the ownership of a substantial portion of the assets of" the Company as determined under Treasury Regulation Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder).

(i) "***Code***" means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder shall include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(j) "***Committee***" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board in accordance with Section 4 hereof.

(k) "***Common Stock***" means the common stock of the Company.

(l) "***Company***" means Local Bounti Corporation, a Delaware corporation, or any successor thereto.

(m) "***Determination Date***" means any time when the achievement of the Performance Goals associated with the applicable Performance Period remains substantially uncertain; provided, however, that without limiting the foregoing, that if the Determination Date occurs on or before the date on which 25% of the Performance Period has elapsed, the achievement of such Performance Goals shall be deemed to be substantially uncertain.

(n) "***Director***" means a member of the Board.

(o) "***Disability***" means total and permanent disability as defined in Section 22(e)(3) of the Code in the case of Incentive Stock Options, and for all other Awards, means as determined pursuant to the terms of the long-term disability plan maintained by the Company or, if there is none, as defined by the Social Security Administration; provided however, that if the Participant resides outside of the United States, "***Disability***" shall have such meaning as is required by Applicable Laws.

(p) "***Effective Date***" means November 16, 2021.

(q) "***Employee***" means any person, including Officers and Directors, employed by the Company or any Affiliate of the Company. Neither service as a Director nor payment of a director's fee by the Company will be sufficient to constitute "employment" by the Company.

(r) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

(s) "***Exchange Program***" means a program under which outstanding Awards are amended to provide for a lower exercise price or surrendered or cancelled in exchange for (i) Awards with a lower exercise price, (ii) a different type of Award or awards under a different equity incentive plan, (iii) cash, or (iv) a combination of (i), (ii) and/or (iii). Notwithstanding the preceding, the term Exchange Program does not include (A) any action described in Section 16 of the Plan or any action taken in connection with a Change in Control transaction nor (B) any transfer or other disposition permitted under Section 15 of the Plan. For the purpose of clarity, each of the actions described in the prior sentence (none of which constitutes an Exchange Program) may be undertaken or authorized by the Administrator in its sole discretion without approval by the Company's stockholders.

(t) "***Fair Market Value***" means, as of any date, the value of a Share of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, its Fair Market Value will be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the day of determination, as reported in such source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value will be the mean between the high bid and low ask prices for the Common Stock on the day of determination, as reported in such source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value will be determined in good faith by the Administrator in compliance with Applicable Laws and in a manner that complies with Section 409A of the Code.

(u) "***Fiscal Year***" means the fiscal year of the Company.

(v) "***Incentive Stock Option***" means an Option that by its terms qualifies and is intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(w) "***Independent Contractor***" means any person, including an advisor, consultant or agent, engaged by the Company or any Affiliate to render services to such entity or who renders, or has rendered, services to the Company or any Affiliate and is compensated for such services.

(x) "***Inside Director***" means a Director who is an Employee.

(y) "***Insider***" means an Officer or Director or any other person whose transactions in Common Stock are subject to Section 16 of the Exchange Act.

(z) "***Nonstatutory Stock Option***" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(aa) "***Officer***" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(bb) "***Option***" means a stock option granted pursuant to the Plan.

(cc) "***Outside Director***" means a Director who is not an Employee.

(dd) "***Parent***" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of the corporations other than the Company owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

(ee) "***Participant***" means the holder of an outstanding Award.

(ff) "***Performance Cash Bonus***" means an Award of cash granted pursuant to Section 12 of the Plan.

(gg) "***Performance Goal***" means a formula or standard determined by the Administrator with respect to each Performance Period based on one or more of the following criteria and any adjustment(s) thereto established by the Administrator: (i) sales or non-sales revenue; (ii) return on revenue; (iii) operating income; (iv) income or earnings including operating income; (v) income or earnings before or after taxes, interest, depreciation and/or amortization; (vi) income or earnings from continuing operations; (vii) net income; (viii) pre-tax income or after-tax income; (ix) net income excluding amortization of intangible assets, depreciation and impairment of goodwill and intangible assets and/or excluding charges attributable to the adoption of new accounting pronouncements; (x) raising of financing or fundraising; (xi) project financing; (xii) revenue or revenue backlog; (xiii) gross margin; (xiv) operating margin or profit margin; (xv) capital expenditures, cost targets, reductions and savings and expense management; (xvi) return on assets (gross or net), return on investment, return on capital, or return on stockholder equity; (xvii) cash flow, operating cash flow, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, or cash flow in excess of cost of capital; (xviii) performance warranty and/or guarantee claims; (xix) stock price or total stockholder return; (xx) earnings or book value per share (basic or diluted); (xxi) economic value created; (xxii) pre-tax profit or after-tax profit; (xxiii) strategic business criteria, consisting of one or more objectives based on meeting specified market penetration or market share, completion of strategic agreements such as licenses, joint ventures, acquisitions, and the like, geographic business expansion, objective customer satisfaction or information technology goals, intellectual property asset metrics; (xxiv) objective goals relating to divestitures, joint ventures, mergers, acquisitions and similar transactions; (xxv) objective goals relating to staff management, results from staff attitude and/or opinion surveys, staff satisfaction scores, staff safety, staff accident and/or injury rates, compliance, headcount, performance management or completion of critical staff training initiatives; (xxvi) objective goals relating to projects, including project completion, timing and/or achievement of milestones, project budget, technical progress against work plans; and (xxvii) enterprise resource planning. Awards issued to Participants may take into account other criteria (including subjective criteria). Performance Goals may differ from Participant to Participant, Performance Period to Performance Period and from Award to Award. Any criteria

used may be measured, as applicable, (A) in absolute terms, (B) in relative terms (including, but not limited to, any increase (or decrease) over the passage of time and/or any measurement against other companies or financial or business or stock index metrics particular to the Company), (C) on a per share and/or share per capita basis, (D) against the performance of the Company as a whole or against any Affiliate(s), particular segment(s), business unit(s) or product(s) of the Company or individual project company, (E) on a pre-tax or after-tax basis, (F) on a GAAP or non-GAAP basis, and/or (G) using an actual foreign exchange rate or on a foreign exchange neutral basis.

(hh) "***Performance Period***" means the time period during which the Performance Goals or other vesting provisions must be satisfied for Awards. Performance Periods may be of varying and overlapping duration, at the sole discretion of the Administrator.

(ii) "***Period of Restriction***" means the period during which the transfer of Shares of Restricted Stock is subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.

(jj) "***Plan***" means this 2021 Equity Incentive Plan.

(kk) "***Prior Plan***" means the Company's 2020 Equity Incentive Plan.

(ll) "***Restricted Stock***" means Shares issued pursuant to a Restricted Stock Award under Section 7 of the Plan.

(mm) "***Restricted Stock Unit***" means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 8 of the Plan. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(nn) "***Rule 16b-3***" means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(oo) "***Section 16(b)***" means Section 16(b) of the Exchange Act.

(pp) "***Section 409A of the Code***" means Section 409A of the Code and any final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

(qq) "***Service Provider***" means an Employee, Director or Independent Contractor.

(rr) "***Share***" means a share of the Common Stock, as adjusted in accordance with Section 16 of the Plan.

(ss) "***Stock Appreciation Right***" means an Award, granted alone or in connection with an Option, that pursuant to Section 9 of the Plan is designated as a Stock Appreciation Right.

(tt) "***Stock Bonus***" means an Award granted pursuant to Section 10 of the Plan.

(uu) "***Subsidiary***" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

(vv) "***Tax-Related Items***" means any or all applicable national, local or other income tax, social insurance or other social contributions, national insurance, social security, payroll tax, fringe benefits tax, payment on account, withholding, required deductions or payments or other tax-related items.

3. Stock Subject to the Plan.

(a) Stock Subject to the Plan. Subject to the provisions of Sections 3(b) and 16 of the Plan, the maximum aggregate number of Shares that may be issued under the Plan is 12,081,929 Shares. The Shares may be authorized, but unissued, or reacquired Common Stock. Notwithstanding the foregoing, subject to the provisions of Section 16 below, in no event shall the maximum aggregate number of Shares that may be issued under the Plan pursuant to Incentive Stock Options exceed the number set forth in this Section 3(a) plus, to the extent allowable under Section 422 of the Code and the regulations promulgated thereunder, any Shares that again become available for issuance pursuant to Sections 3(b) and 3(c).

(b) Automatic Share Reserve Increase. The number of Shares available for issuance under the Plan (the "***Share Reserve***") will be automatically increased on the first day of each Fiscal Year beginning with the 2022 Fiscal Year and ending on (and including) the first day of the 2031 Fiscal Year, in an amount equal to four percent (4%) of the outstanding Shares on the last day of the immediately preceding Fiscal Year. Notwithstanding the foregoing, the Board may act on or prior to the first day of a given Fiscal Year to provide that there will be no increase in the Share Reserve for such Fiscal Year or that the increase in the Share Reserve for such Fiscal Year will be a lesser number of Shares than would otherwise occur pursuant to the preceding sentence.

(c) Lapsed Awards. To the extent an Award should expire or be forfeited or become unexercisable for any reason without having been exercised in full, or is surrendered pursuant to an Exchange Program, the unissued Shares that were subject thereto shall, unless the Plan shall have been terminated, continue to be available under the Plan for issuance pursuant to future Awards. In addition, any Shares which are retained by the Company upon exercise of an Award in order to satisfy the exercise or purchase price for such Award or any withholding taxes due with respect to such Award shall be treated as not issued and shall continue to be available under the Plan for issuance pursuant to future Awards. Shares issued under the Plan and later forfeited to the Company due to the failure to vest or repurchased by the Company at the original purchase price paid to the Company for the Shares (including, without limitation, upon forfeiture to or repurchase by the Company in connection with a Participant ceasing to be a Service Provider) shall again be available for future grant under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan.

(d) Assumption or Substitution of Awards by the Company. The Administrator, from time to time, may determine to substitute or assume outstanding awards granted by another company, whether in connection with an acquisition, merger or consolidation of such other company or otherwise, by either: (i) assuming such award under this Plan or (ii) granting an Award

under this Plan in substitution of such other company's award. Such assumption or substitution will be permissible if the holder of the substituted or assumed award would have been eligible to be granted an Award under this Plan if the other company had applied the rules of this Plan to such grant. In the event the Administrator elects to assume an award granted by another company, subject to the requirements of Section 409A of the Code, the purchase price or the exercise price, as the case may be, and the number and nature of Shares issuable upon exercise or settlement of any such Award will be adjusted appropriately. In the event the Administrator elects to grant a new Option in substitution rather than assuming an existing option, such new Option may be granted with a similarly adjusted exercise price. Any awards that are assumed or substituted under this Plan shall not reduce the number of Shares authorized for grant under the Plan or authorized for grant to a Participant in any Fiscal Year.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. Different Committees with respect to different groups of Service Providers may administer the Plan.

(ii) Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt underRule 16b-3, the transactions contemplated hereunder will be structured to satisfy the requirements for exemption under Rule 16b-3.

(iii) Other Administration. Other than as provided above, the Plan will be administered by (A) the Board or (B) a Committee, which committee will be constituted to satisfy Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan, the Administrator will have the authority, in its discretion:

(i) to determine the Fair Market Value in accordance with Section 2(u)(iii) of the Plan;

(ii) to select the Service Providers to whom Awards may be granted hereunder;

(iii) to determine the number of Shares to be covered by each Award granted hereunder;

(iv) to approve forms of Award Agreements for use under the Plan;

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder; such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on Performance Goals), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator will determine;

(vi) to institute and determine the terms and conditions of an Exchange Program; provided however, that the Administrator shall not implement an Exchange Program without the approval of the holders of a majority of the Shares that are present in person or by proxy and entitled to vote at any annual or special meeting of the Company's stockholders;

(vii) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(viii) correct any defect, supply any omission or reconcile any inconsistency in this Plan, any Award or any Award Agreement;

(ix) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations established for the purpose of satisfying non-U.S. Applicable Laws, for qualifying for favorable tax treatment under applicablenon-U.S. Applicable Laws or facilitating compliance with non-U.S. Applicable Laws (sub-plans may be created for any of these purposes);

(x) to modify or amend each Award (subject to Section 23 of the Plan), including but not limited to the discretionary authority to extend the post-termination exercisability period of Awards, to accelerate vesting and to extend the maximum term of an Option (subject to Section 6(b) of the Plan regarding Incentive Stock Options);

(xi) adjust Performance Goals to take into account changes in Applicable Laws or in accounting or tax rules, or such other extraordinary, unforeseeable, nonrecurring or infrequently occurring events or circumstances as the Administrator deems necessary or appropriate to avoid windfalls or hardships;

(xii) to allow Participants to satisfy tax withholding obligations in such manner as prescribed in Section 17 of the Plan;

(xiii) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(xiv) to allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that would otherwise be due to such Participant under an Award; and

(xv) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards. Any dispute regarding the interpretation of the Plan or any Award Agreement shall be submitted by the Participant to the Company for review. Any Officer of the Company, including but not limited to Insiders, shall have the authority to review and resolve disputes with respect to Awards held by Participants who are not Insiders, and such resolution shall be final and binding on the Company and the Participant. Only a Committee comprised of two or more "non-employee directors" of the Board (as defined in the regulations promulgated under Section 16 of the Exchange Act) shall have the authority to review and resolve disputes with respect to Awards held by Participants who are Insiders, and such resolution shall be final and binding on the Company and the Participant.

(d) Delegation. To the extent permitted by Applicable Laws, the Board or Committee, in its sole discretion and on such terms and conditions as it may provide, may delegate all or any part of its authority and powers under the Plan to one or more Directors or officers of the Company who may be (but are not required to be) Insiders (each, a "***Delegate***") to (i) designate Employees who are not Insiders to be recipients of Awards, (ii) determine the number of Shares to be subject to such Awards granted to such designated Employees, and

(iii) take any and all actions on behalf of the Board or Committee other than any actions that affect the amount or form of compensation of Insiders or have material tax, accounting, financial, human resource or legal consequences to the Company or its Affiliates; provided, however, that the Board or Committee resolutions regarding any delegation with respect to (i) and (ii) will specify the total number of Shares that may be subject to the Awards granted by such Delegate and that such Delegate may not grant an Award to himself or herself. Any Awards will be granted on the form of Award Agreement most recently approved for use by the Board or Committee, unless otherwise provided in the resolutions approving the delegation authority.

(e) Administration of Awards Subject to Performance Goals The Administrator will, in its sole discretion, determine the Performance Goals, if any, applicable to any Award (including any adjustment(s) thereto that will be applied in determining the achievement of such Performance Goals) on or prior to the Determination Date. The Performance Goals may differ from Participant to Participant and from Award to Award. The Administrator shall determine and approve the extent to which such Performance Goals have been timely achieved and the extent to which the Shares subject to such Award have thereby been earned.

(f) Section 16 of the Exchange Act. Awards granted to Participants who are Insiders must be approved by two or more "non-employee directors" of the Board (as defined in the regulations promulgated under Section 16 of the Exchange Act).

(g) Limitation of Liability. Each person who is or has been a member of the Administrator and each employee of the Company or an Affiliate who is a Delegate shall be indemnified and held harmless by the Company from and against any loss, cost, liability or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act under the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in any such action, suit or proceeding against him or her, provided such loss, cost, liability or expense is not attributable to such person's willful misconduct. Any person seeking indemnification under this provision shall give the Company prompt notice of any claim and shall give the Company an opportunity, at its own expense, to handle and defend the same before the person undertakes to handle and defend such claim on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled, including under the Company's Articles of Incorporation or Bylaws, as a matter of Applicable Laws, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

5. Award Eligibility. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units and Stock Bonuses may be granted to Service Providers. Incentive Stock Options and Performance Cash Bonuses may be granted only to Employees. Eligibility for Incentive Stock Options is limited to individuals described in the first sentence of this Section 5 who are Employees of the Company or of a "parent corporation" or "subsidiary corporation" of the Company as those terms are defined in Section 424 of the Code.

6. Stock Options.

(a) Limitations. Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Affiliate) exceeds one hundred thousand dollars

($100,000), such Options will be treated as Nonstatutory Stock Options. For purposes of this Section 6(a), Incentive Stock Options will be taken into account in the order in which they were granted. The Fair Market Value of the Shares will be determined as of the date the Option with respect to such Shares is granted. With respect to the Administrator's authority in Section 4(b)(x) of the Plan, if, at the time of any such extension, the exercise price per Share of the Option is less than the Fair Market Value of a Share, the extension shall, unless otherwise determined by the Administrator, be limited to the earlier of (i) the maximum term of the Option as set by its original terms, or (ii) ten (10) years from the grant date. Unless otherwise determined by the Administrator, any extension of the term of an Option pursuant to this Section 6(a) shall comply with Section 409A of the Code to the extent necessary to avoid taxation thereunder.

(b) Term of Option. The term of each Option will be stated in the Award Agreement. In the case of an Incentive Stock Option, the term will be ten (10) years from the date of grant or such shorter term as may be provided in the Award Agreement. Moreover, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Affiliate, the term of the Incentive Stock Option will be five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.

(c) Exercise Price and Other Terms.

(i) Exercise Price. The per share exercise price for the Shares to be issued pursuant to exercise of an Option will be determined by the Administrator, subject to the following:

(A) In the case of an Incentive Stock Option

(1) granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Affiliate, the per Share exercise price will be no less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant.

(2) granted to any Employee other than an Employee described in paragraph (A) immediately above, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(B) In the case of a Nonstatutory Stock Option, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(C) Notwithstanding the foregoing, Options may be granted with a per Share exercise price of less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code.

(ii) Vesting and Exercisability. At the time an Option is granted, the Administrator will fix the period within which the Option may vest and/or be exercised and will determine any conditions that must be satisfied before the Option may vest and/or be exercised. An Option will vest and/or become exercisable at such times and upon such terms as are determined by the Administrator, which may include upon the completion of a specified period of

service with the Company or an Affiliate and/or be based upon the achievement of Performance Goals during a Performance Period as set out in advance in the Participant's Award Agreement. If an Option vests and/or becomes exercisable based upon the satisfaction of Performance Goals, then the Administrator will: (A) determine the nature, length and starting date of any Performance Period; (B) select the Performance Goals to be used to measure the performance; and (C) determine what additional conditions, if any, should apply.

(iii) Form of Consideration. The Administrator will determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator will determine the acceptable form of consideration at the time of grant. Such consideration for both types of Options may consist entirely of: (A) cash; (B) check; (C) promissory note, to the extent permitted by Applicable Laws; (D) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised and provided that accepting such Shares will not result in any adverse accounting consequences to the Company, as the Administrator determines in its sole discretion; (E) consideration received by the Company under a broker-assisted (or other) cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan; (F) by net exercise; (G) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; or (H) any combination of the foregoing methods of payment.

(d) Exercise of Option.

(i) Procedure for Exercise; Rights as a Stockholder. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

An Option will be deemed exercised when the Company receives: (a) a notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Option, and (b) full payment for the Shares with respect to which the Option is exercised (together with full payment of any applicable taxes or other amounts required to be withheld or deducted with respect to the Option). Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 16 of the Plan.

(ii) Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the Participant's termination as the result of the Participant's death, Disability or Cause, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for three (3) months following the Participant's termination. Unless

otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iv) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised following the Participant's death within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of death (but in no event may the Option be exercised later than the expiration of the term of such Option as set forth in the Award Agreement), by the Participant's designated beneficiary, provided such beneficiary has been designated prior to the Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following the Participant's death. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(v) Termination for Cause. If a Participant ceases to be a Service Provider as a result of being terminated for Cause, any outstanding Option (including any vested portion thereof) held by such Participant shall immediately terminate in its entirety upon the Participant being first notified of his or her termination for Cause and the Participant will be prohibited from exercising his or her Option from and after the date of such notification. All the Participant's rights under any Option, including the right to exercise the Option, may be suspended pending an investigation of whether Participant will be terminated for Cause.

7. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) Vesting Criteria and Other Terms. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Unless the Administrator determines otherwise, the Company as escrow agent

will hold Shares of Restricted Stock until the restrictions on such Shares have lapsed. The restrictions will lapse at such times and upon such terms as are determined by the Administrator, which may include upon the completion of a specified period of service with the Company or an Affiliate and/or be based upon the achievement of Performance Goals during a Performance Period as set out in advance in the Participant's Award Agreement. If the unvested Shares of Restricted Stock will be earned and the restrictions will lapse upon the satisfaction of Performance Goals, then the Administrator will: (i) determine the nature, length and starting date of any Performance Period; (ii) select the Performance Goals to be used to measure the performance; and (iii) determine what additional conditions, if any, should apply.

(c) Transferability. Except as provided in this Section 7 or the Award Agreement, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated while they are subject to restrictions.

(d) Other Restrictions. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

(e) Removal of Restrictions. Except as otherwise provided in this Section 7, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of the Period of Restriction or at such other time as the Administrator may determine. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) Voting Rights. During the Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(g) Dividends and Other Distributions. During the Period of Restriction, Service Providers holding Shares of Restricted Stock will be entitled to receive all dividends and other distributions paid with respect to such Shares, unless the Administrator provides otherwise. All such dividends or other distributions will be subject to the same terms, restrictions and risk of forfeiture as the Shares of Restricted Stock with respect to which the dividends or other distributions accrue and shall not be paid or distributed unless and until such related Shares have vested and been earned.

(h) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will be cancelled and returned as unissued Shares to the Company and again will become available for grant under the Plan.

8. Restricted Stock Units.

(a) Grant of Restricted Stock Units. Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. After the Administrator determines that it will grant Restricted Stock Units under the Plan, it will advise the Participant in an Award Agreement of the terms, conditions, and restrictions (if any) related to the grant, including the number of Restricted Stock Units.

(b) Vesting Criteria and Other Terms. The Administrator will set the vesting criteria and other terms of the Restricted Stock Units in its discretion, which, depending on the extent to which the vesting criteria and other terms are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. A Restricted Stock Unit Award will

vest at such times and upon such terms as are determined by the Administrator, which may include upon the completion of a specified period of service with the Company or an Affiliate and/or be based upon the achievement of Performance Goals during a Performance Period as set out in advance in the Participant's Award Agreement. If Restricted Stock Units vest based upon the satisfaction of Performance Goals, then the Administrator will: (i) determine the nature, length and starting date of any Performance Period; (ii) select the Performance Goals to be used to measure the performance; and (iii) determine what additional conditions, if any, should apply.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria and other conditions, the Participant will be entitled to receive a payout as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting criteria or other conditions that must be met to receive a payout.

(d) Dividend Equivalents. The Administrator may, in its sole discretion, award dividend equivalents in connection with the grant of Restricted Stock Units that may be settled in cash, in Shares of equivalent value, or in some combination thereof. Such dividend equivalents shall be subject to the same terms, restrictions and risk of forfeiture as the Restricted Stock Units with respect to which the dividends accrue and shall not be paid or settled unless and until the related Restricted Stock Units have vested and been earned. To the extent applicable, any such dividend equivalents will comply with Section 409A of the Code or other similar Applicable Law.

(e) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made upon the date(s) determined by the Administrator and set forth in the Award Agreement. The Administrator, in its sole discretion, may only settle earned Restricted Stock Units in cash, Shares, or a combination of both.

(f) Cancellation. On the date set forth in the Award Agreement, all Shares underlying any unvested or unearned Restricted Stock Units will be forfeited to the Company for future issuance.

9. Stock Appreciation Rights.

(a) Grant of Stock Appreciation Rights. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) Number of Shares. The Administrator will have complete discretion to determine the number of Stock Appreciation Rights granted to any Service Provider.

(c) Exercise Price. The per Share exercise price for the Shares to be issued pursuant to exercise of a Stock Appreciation Right will be determined by the Administrator and will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(d) Vesting Criteria and Other Terms. Other than the per Share exercise price, the Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the exercise price, the term of the Stock Appreciation Right, the conditions of vesting and/or exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine. A Stock Appreciation Right will vest and/or become exercisable at such times and upon such terms

as are determined by the Administrator, which may include upon the completion of a specified period of service with the Company or an Affiliate and/or be based upon the achievement of Performance Goals during a Performance Period as set out in advance in the Participant's Award Agreement. If a Stock Appreciation Right vests and/or becomes exercisable based upon on the satisfaction of Performance Goals, then the Administrator will: (i) determine the nature, length and starting date of any Performance Period; (ii) select the Performance Goals to be used to measure the performance; and (iii) determine what additional conditions, if any, should apply.

(e) Expiration of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan will expire upon the date determined by the Administrator, in its sole discretion, and set forth in the Award Agreement. Notwithstanding the foregoing, the rules of Section 6(b) of the Plan relating to the maximum term and Section 6(d) of the Plan relating to exercise also will apply to Stock Appreciation Rights.

(f) Payment of Stock Appreciation Right Amount. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

(i) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times

(ii) The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon Stock Appreciation Right exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

10. Stock Bonuses.

(a) Awards of Stock Bonuses. A Stock Bonus is an Award of Shares to an eligible person without a purchase price that is not subject to any restrictions. All Stock Bonuses may but are not required to be made pursuant to an Award Agreement.

(b) Number of Shares. The Administrator will determine the number of Shares to be awarded to the Participant under a Stock Bonus and any other terms applicable to such Stock Bonus.

(c) Form of Payment to Participant. Payment may be made in the form of cash, whole Shares, or a combination thereof, based on the Fair Market Value of the Shares subject to the Stock Bonus on the date of payment, as determined in the sole discretion of the Administrator.

11. Outside Director Limitations. Stock awards granted during a single Fiscal Year under the Plan or otherwise, taken together with any cash fees paid during such Fiscal Year for services on the Board, shall not exceed (a) $1,000,000 in total value for any Outside Director serving as the lead Director of the Board (including with respect to the first year of service) and (b) $700,000 in total value for any other Outside Director, except with respect to the first year of service, in which case any stock awards granted and cash fees paid will not exceed $1,000,000 in total value (calculating the value of any such stock awards based on the grant date fair value of such stock awards for financial reporting purposes). Such applicable limit shall include the value of any stock awards that are received in lieu of all or a portion of any annual committee cash retainers or other similar cash-based payments. Stock awards granted to an individual while he or she was serving in the capacity as an Employee or while he or she was an Independent Contractor but not an Outside Director will not count for purposes of the limitations set forth in this Section 11.

12. Performance Cash Bonuses.

(a) Awards of Performance Cash Bonuses. Performance Cash Bonuses may be granted to Participants at any time and from time to time as determined by the Administrator. All Performance Cash Bonuses may but are not required to be made pursuant to an Award Agreement.

(b) Vesting Criteria and Other Terms. Performance Cash Bonuses will vest at such times and upon such terms as are determined by the Administrator, which may include upon the completion of a specified period of service with the Company or an Affiliate and/or be based upon the achievement of Performance Goals during a Performance Period as set out in advance and communicated to the Participant. If the Performance Cash Bonus vests based upon on the satisfaction of Performance Goals, then the Administrator will: (i) determine the nature, length and starting date of any Performance Period; (ii) select the Performance Goals to be used to measure the performance; and (iii) determine what additional conditions, if any, should apply. The Administrator reserves the right, in its sole discretion, to increase, reduce or eliminate the amount of an Award otherwise payable to a Participant with respect to any Performance Period or otherwise.

(c) Payment to Participant. Payment of a Performance Cash Bonus shall be made in cash and shall occur within a reasonable period of time after the end of the Performance Period or when the Award has otherwise vested. Unless otherwise determined by the Administrator, a Participant must be a Participant and in good standing with the Company on the date the Award is paid.

13. Leaves of Absence/Transfer Between Locations. The Administrator shall have the discretion to determine at any time whether and to what extent the vesting of Awards shall be suspended during any leave of absence; provided, however, that in the absence of such determination, vesting of Awards shall continue during any paid leave and shall be suspended during any unpaid leave (unless otherwise required by Applicable Laws). A Participant will not cease to be an Employee in the case of (a) any leave of absence approved by the Participant's employer or (b) transfers between locations of the Company or between the Company or any Affiliate. If an Employee is holding an Incentive Stock Option and such leave exceeds three (3) months then, for purposes of Incentive Stock Option status only, such Employee's service as an Employee shall be deemed terminated on the first (1st) day following such three (3) month period and the Incentive Stock Option shall thereafter automatically treated for tax purposes as a Nonstatutory Stock Option in accordance with Applicable Laws, unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to a written Company policy.

14. Change in Time Commitment. In the event a Participant's regular level of time commitment in the performance of his or her services for the Company or any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from full-time to part-time or takes an extended leave of absence) after the date of grant of any Award, the Administrator, in its sole discretion, may, subject to Applicable Laws, (a) make a corresponding reduction in the number of Shares or cash amount subject to any portion of such Award that is scheduled to vest, become exercisable and/or become payable after the date of such change in time commitment, and (b) in lieu of or in combination with such a reduction, extend the vesting, exercise or payout schedule applicable to such Award (in accordance with Section 409A of the Code, as applicable). In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced.

15. Transferability of Awards. Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. The designation of a beneficiary or the transfer to the beneficiary in accordance with Section 27 of the Plan will not constitute a transfer for purposes of this Section 15. If the Administrator makes an Award transferable, such Award will contain such additional terms and conditions as the Administrator deems appropriate provided, however, that in no event may any Award be transferred for consideration to a third-party financial institution.

16. Adjustments; Dissolution or Liquidation; Merger or Change in Control

(a) Adjustments. In the event of a stock split, reverse stock split, stock dividend, combination, consolidation, recapitalization (including a recapitalization through a large nonrecurring cash dividend) or reclassification of the Shares, subdivision of the Shares, a rights offering, a reorganization, merger, spin-off, split-up, repurchase, or exchange of Common Stock or other securities of the Company or other significant corporate transaction, or other change affecting the Common Stock occurs, the Administrator, in order to prevent dilution, diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will, in such manner as it may deem equitable, adjust the number, kind and class of securities that may be delivered under the Plan and/or the number, class, kind and price of securities covered by each outstanding Award. Notwithstanding the forgoing, all adjustments under this Section 16 shall be made in a manner that does not result in taxation under Section 409A of the Code.

(b) Dissolution or Liquidation. In the event of the proposed winding up, dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised or settled, an Award will terminate immediately prior to the consummation of such proposed action.

(c) Corporate Transaction. In the event of (i) a transfer of all or substantially all of the Company's assets, (ii) a merger, consolidation or other capital reorganization or business combination transaction of the Company with or into another corporation, entity or person, (iii) the consummation of a transaction, or series of related transactions, in which any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of more than 50% of the Company's then outstanding capital stock, or (iv) a Change in Control (each, a "***Corporate Transaction***"), each outstanding Award (vested or unvested) will be treated as the Administrator determines, which determination may be made without the consent of any Participant and need not treat all outstanding Awards (or portion thereof) in an identical manner. Such determination, without the consent of any Participant, may provide (without limitation) for one or more of the following in the event of a Corporate Transaction: (A) the continuation of such outstanding Awards by the Company (if the Company is the surviving corporation); (B) the assumption of such outstanding Awards by the surviving corporation or its parent; (C) the substitution by the surviving corporation or its parent of new awards for such outstanding Awards; (D) the cancellation of such outstanding Awards in exchange for a payment to the Participants equal to the excess of (1) the Fair Market Value of the Shares subject to such Awards as of the closing date of such Corporate Transaction over (2) the exercise price or purchase price paid or

to be paid (if any) for the Shares subject to the Awards; provided further, that at the discretion of the Administrator, such payment may be subject to the same conditions that apply to the consideration that will be paid to holders of Shares in connection with the transaction; provided, however, that any payout in connection with a terminated Award shall comply with Section 409A of the Code to the extent necessary to avoid taxation thereunder; (E) the full or partial acceleration of vesting, exercisability, payout or accelerated expiration of such outstanding Awards or the lapse of the Company's right to repurchase or reacquire Shares acquired under such outstanding Awards or the lapse of forfeiture rights with respect to Shares acquired under such outstanding Awards; (F) the opportunity for Participants to exercise outstanding Options and/or Stock Appreciation Rights prior to the occurrence of the Corporate Transaction and the termination (for no consideration) upon the consummation of such Corporate Transaction of any such Options and/or Stock Appreciation Rights not exercised prior thereto for no consideration; or (G) the cancellation of such outstanding Awards in exchange for no consideration.

(d) Change in Control. An Award may be subject to additional acceleration of vesting and exercisability upon or after a Change in Control as may be provided in the Award Agreement for such Award or as may be provided in any other written agreement between the Company or any Affiliate and the Participant, but in the absence of such provisions, no such acceleration will occur (unless otherwise determined by the Administrator pursuant to Section 16(c) above).

17. Tax.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof) or prior to any time the Award or Shares are subject to taxation or other Tax-Related Items, the Company and/or the Participant's employer will have the power and the right to deduct or withhold, or require a Participant to remit to the Company (or an Affiliate), an amount sufficient to satisfy any Tax-Related Items or other items that are required to be withheld or deducted or are otherwise applicable with respect to such Award.

(b) Withholding Arrangements. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such withholding or deduction obligations or any other Tax-Related Items, in whole or in part by (without limitation) (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable cash or Shares, (iii) delivering to the Company already-owned Shares or (iv) such other method as may be set forth in the Award Agreement; provided that, unless specifically permitted by the Company, any proceeds derived from a cashless exercise must be an approved broker-assisted cashless exercise or the cash or Shares withheld or delivered must be limited to avoid financial accounting charges under applicable accounting guidance or Shares must have been previously held for the minimum duration required to avoid financial accounting charges under applicable accounting guidance. The Fair Market Value of the Shares to be withheld or delivered will be determined based on such methodology that the Company deems to be reasonable and in accordance with Applicable Laws.

(c) Compliance With Section 409A of the Code. Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A of the Code such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A of the Code. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Section 409A of the Code (or an exemption therefrom) and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent that an Award or payment, or the settlement or deferral thereof, is

subject to Section 409A of the Code the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code (or an exemption therefrom), such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A of the Code. In no event will the Company be responsible for or reimburse a Participant for any taxes or other penalties incurred as a result of applicable of Section 409A of the Code.

18. No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship as a Service Provider with the Company or any Affiliate, nor will they interfere in any way with the Participant's right or the Company's or any Affiliate's right to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

19. Date of Grant. The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

20. Corporate Records Control. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g., exercise price, vesting schedule or number of Shares) that are inconsistent with those in the Award Agreement or related grant documents as a result of a clerical error in the papering of the Award Agreement or related grant documents, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement or related grant documents.

21. Clawback/Recovery. The Administrator may specify in an Award Agreement that the Participant's rights, payments, and/or benefits with respect to an Award will be subject to reduction, cancellation, forfeiture, and/or recoupment upon the occurrence of certain specified events, in addition to any applicable vesting, performance or other conditions and restrictions of an Award. Notwithstanding any provisions to the contrary under this Plan, an Award granted under the Plan shall be subject to the Company's clawback policy as may be established and/or amended from time to time. The Administrator may require a Participant to forfeit or return to and/or reimburse the Company for all or a portion of the Award and/or Shares issued under the Award, any amounts paid under the Award, and any payments or proceeds paid or provided upon disposition of the Shares issued under the Award, pursuant to the terms of such Company policy or as necessary or appropriate to comply with Applicable Laws.

22. Term of Plan. Subject to Section 26 of the Plan, the Plan will become effective as of the Effective Date. The Plan will continue in effect, unless terminated earlier under Section 23 of the Plan. No Incentive Stock Options may be granted after November 18, 2031. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

23. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Administrator may at any time amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. The Company will obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan will materially impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

24. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares will not be issued pursuant to the vesting, exercise or payment of an Award unless the vesting, exercise or payment (as applicable) of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the vesting, exercise or payment of an Award, the Company may require the Participant (or recipient) to represent and warrant at the time of any such vesting, exercise or payment that the Shares are being purchased or issued only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

25. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority will not have been obtained.

26. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

27. Beneficiaries. If permitted by the Administrator, a Participant may designate one or more beneficiaries with respect to an Award by timely filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Participant's death. Except as otherwise provided in an Award Agreement, if no beneficiary was designated or if no designated beneficiary survives the Participant, then after a Participant's death any vested Award(s) shall be transferred or distributed to the Participant's estate or to any person who has the right to acquire the Award by bequest or inheritance.

28. Governing Law. The Plan and all Awards hereunder shall be construed in accordance with and governed by the laws of the State of Delaware, but without regard to its conflict of law provisions.

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Exhibit 10.8

LOCAL BOUNTI CORPORATION

2021 EMPLOYEE STOCK PURCHASE PLAN

1. General; Purpose.

(a) Purpose. The Plan provides a means by which Eligible Employees and/or Eligible Service Providers of either the Company or a Designated Company may be given an opportunity to purchase shares of Common Stock. The Plan permits the Company to grant a series of Purchase Rights to Eligible Employees and/or Eligible Service Providers. The Company, by means of the Plan, seeks to retain, and to assist its Related Corporations and Affiliates in retaining, the services of such Eligible Employees and Eligible Service Providers, to secure and retain the services of new Eligible Employees and Eligible Service Providers and to provide incentives for such persons to exert maximum efforts for the success of the Company and its Related Corporations and Affiliates.

(b) Qualified and Non-Qualified Offerings Permitted. The Plan includes two components: a 423 Component and aNon-423 Component. The Company intends (but makes no undertaking or representation to maintain) the 423 Component to qualify as an Employee Stock Purchase Plan. The provisions of the 423 Component, accordingly, will be construed in a manner that is consistent with the requirements of Section 423 of the Code, including without limitation, to extend and limit Plan participation in a uniform and non-discriminating basis. In addition, this Plan authorizes grants of Purchase Rights under the Non-423 Component that do not meet the requirements of an Employee Stock Purchase Plan. Except as otherwise provided in the Plan or determined by the Board, the Non-423 Component will operate and be administered in the same manner as the 423 Component. In addition, the Company may make separate Offerings which vary in terms (provided that such terms are not inconsistent with the provisions of the Plan and, with respect to the 423 Component, with the requirements of an Employee Stock Purchase Plan), and the Company will designate which Designated Company is participating in each separate Offering and if any Eligible Service Providers will be eligible to participate in a separate Offering. Eligible Employees of the Company and Related Corporations will be able to participate in the 423 Component. Eligible Employees and Eligible Service Providers will be able to participate in the Non-423 Component of the Plan.

2. Administration.

(a) The Board will administer the Plan unless and until the Board delegates administration of the Plan to a Committee or Committees, as provided in Section 2(c).

(b) The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine how and when Purchase Rights will be granted and the provisions of each Offering (which need not be identical).

(ii) To designate from time to time which Related Corporations will be eligible to participate in the Plan as Designated 423 Corporations or as Designated Non-423 Corporations, which Affiliates will be eligible to participate in the Plan as Designated Non-423 Corporations, and which Designated Companies will participate in each separate Offering (to the extent that the Company makes separate Offerings).

(iii) To designate from time to time which persons will be eligible to participate in the Non-423 Component of the Plan as Eligible Service Providers and which Eligible Service Providers will participate in each separate Offering (to the extent that the Company makes separate Offerings).

(iv) To construe and interpret the Plan and Purchase Rights, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan, in a manner and to the extent it deems necessary or expedient to make the Plan fully effective.

(v) To settle all controversies regarding the Plan and Purchase Rights granted under the Plan.

(vi) To suspend or terminate the Plan at any time as provided in Section 12.

(vii) To amend the Plan at any time as provided in Section 12.

(viii) Generally, to exercise such powers and to perform such acts as it deems necessary or expedient to promote the best interests of the Company and its Related Corporations and Affiliates and to carry out the intent that the 423 Component be treated as an Employee Stock Purchase Plan.

(ix) To adopt such rules, procedures and sub-plans relating to the operation and administration of the Plan as are necessary or appropriate under Applicable Laws to permit or facilitate participation in the Plan by Employees or Eligible Service Providers who are foreign nationals or employed or providing services or located or otherwise subject to the laws of a jurisdiction outside the United States. Without limiting the generality of, but consistent with, the foregoing, the Board specifically is authorized to adopt rules, procedures, and sub-plans, which, for purposes of the Non-423 Component, may be beyond the scope of Section 423 of the Code, regarding, without limitation, eligibility to participate in the Plan, handling and making of Contributions, establishment of bank or trust accounts to hold Contributions, payment of interest, conversion of local currency, obligations to pay payroll tax, determination of beneficiary designation requirements, withholding procedures and handling of share issuances, any of which may vary according to Applicable Laws.

(c) The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board and Applicable Laws. The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated. Whether or not the Board has delegated administration of the Plan to a Committee, the Board will have the final power to determine all questions of policy and expediency that may arise in the administration of the Plan.

(d) All determinations, interpretations and constructions made by the Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

3. Shares of Common Stock Subject to the Plan.

(a) Number of Shares Available; Automatic Increases. Subject to the provisions of Section 11(a) relating to Capitalization Adjustments, the maximum number of shares of Common Stock that may be issued under the Plan will not exceed 1,294,492 shares of Common Stock, plus the number of shares of Common Stock that are automatically added on the first day of each Fiscal Year beginning with the 2022 Fiscal Year and ending on (and including) the first day of the 2031 Fiscal Year, in an amount equal to the lesser of (i) one percent (1%) of the total number of shares of Common Stock outstanding on the last day of the immediately preceding Fiscal Year, and (ii) 1,294,492 shares of Common Stock.[1] Notwithstanding the foregoing, the Board may act prior to the first day of any Fiscal Year to provide that there will be no increase in the share reserve for such Fiscal Year or that the increase in the share reserve for such Fiscal Year will be a lesser number of shares of Common Stock than would otherwise occur pursuant to the preceding sentence.

(b) Share Recycling. If any Purchase Right granted under the Plan terminates without having been exercised in full, the shares of Common Stock not purchased under such Purchase Right will again become available for issuance under the Plan.

(c) Source of Shares. The stock purchasable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market.

4. Grant of Purchase Rights; Offerings.

(a) Offerings. The Board may from time to time grant or provide for the grant of Purchase Rights to Eligible Employees and/or Eligible Service Providers under an Offering (consisting of one or more Purchase Periods) on an Offering Date or Offering Dates selected by the Board. Each Offering will be in such form and will contain such terms and conditions as the Board will deem appropriate, and, with respect to the 423 Component, will comply with the requirement of Section 423(b)(5) of the Code that all Employees granted Purchase Rights will have the same rights and privileges. The terms and conditions of an Offering will be incorporated by reference into the Plan and treated as part of the Plan. The provisions of separate Offerings need not be identical, but each Offering will include (through incorporation of the provisions of this Plan by reference in the Offering Document or otherwise) the period during which the Offering will be effective, which period will not exceed 27 months beginning with the Offering Date, and the substance of the provisions contained in Sections 5 through 8, inclusive.

(b) More than One Purchase Right. If a Participant has more than one Purchase Right outstanding under the Plan, unless he or she otherwise indicates in forms delivered to the Company: (i) each form will apply to all of his or her Purchase Rights under the Plan, and (ii) a Purchase Right with a lower exercise price (or an earlier-granted Purchase Right, if different Purchase Rights have identical exercise prices) will be exercised to the fullest possible extent before a Purchase Right with a higher exercise price (or a later-granted Purchase Right if different Purchase Rights have identical exercise prices) will be exercised.

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1 Number will equal 1.5% of the aggregate number of shares of common stock issued and outstanding immediately after the Closing (after giving effect to stockholder redemptions, if any).

(c) Restart Provision Permitted. To the extent more than one Purchase Period is provided during an Offering, the Board will have the discretion to structure the Offering such that if the Fair Market Value of a share of Common Stock on the first Trading Day of a new Purchase Period within the Offering is less than or equal to the Fair Market Value of a share of Common Stock on the Offering Date for that Offering, then (i) that Offering will terminate as of the Purchase Date specified with respect to such Purchase Period, after giving effect to such purchase on the applicable Purchase Date, (ii) all Contributions not applied to the purchase of shares of Common Stock after giving effect to such purchase on the applicable Purchase Date shall be refunded to the applicable Participants and (iii) the Participants in such terminated Offering will be automatically enrolled in a new Offering beginning on the first Trading Day of such new Offering Period and Purchase Period.

5. Eligibility.

(a) General. Purchase Rights may be granted only to Employees of the Company or, as the Board may designate in accordance with Section 2(b), to Employees of a Related Corporation or, solely with respect to the Non-423 Component, Employees of an Affiliate or Eligible Service Providers.

(b) Grant of Purchase Rights under 423 Component. The Board may provide that Employees will not be eligible to be granted Purchase Rights under the 423 Component (and if so determined by the Board for the Non-423 Component) if, on the Offering Date, the Employee (i) has not completed at least two (2) years of service since the Employee's last hire date (or such lesser period of time as may be determined by the Board in its discretion), (ii) customarily works not more than twenty (20) hours per week (or such lesser period of time as may be determined by the Board in its discretion), (iii) customarily works not more than five (5) months per calendar year (or such lesser period of time as may be determined by the Board in its discretion), (iv) is a highly compensated employee within the meaning of Section 423(b)(4)(D) of the Code, or (v) has not satisfied such other criteria as the Board may determine consistent with Section 423 of the Code. Unless otherwise determined by the Board for any Offering Period, an Employee will not be eligible to be granted Purchase Rights unless, on the Offering Date, the Employee customarily works more than twenty (20) hours per week and more than five (5) months per calendar year.

(c) 5% Stockholders Excluded. No Employee will be eligible for the grant of any Purchase Rights under the 423 Component (and if so determined by the Board for the Non-423 Component) if, immediately after any such Purchase Rights are granted, such Employee owns stock possessing five (5) percent or more of the total combined voting power or value of all classes of stock of the Company or of any Related Corporation. For purposes of this Section 5(c), the rules of Section 424(d) of the Code will apply in determining the stock ownership of any Employee, and stock which such Employee may purchase under all outstanding Purchase Rights and options will be treated as stock owned by such Employee.

(d) $25,000 Limit. As specified by Section 423(b)(8) of the Code, an Eligible Employee may be granted Purchase Rights under the 423 Component (and if so determined by the Board for the Non-423 Component) only if such Purchase Rights, together with any other rights granted under all Employee Stock Purchase Plans of the Company and any Related Corporations, do not permit such Eligible Employee's rights to purchase stock of the Company or any Related Corporation to accrue at a rate which, when aggregated, exceeds USD$25,000 of Fair Market Value of such stock (determined at the time such rights are granted, and which, with respect to the Plan, will be determined as of their respective Offering Dates) for each calendar year in which such rights are outstanding at any time.

(e) Service Requirement. An Eligible Service Provider will not be eligible to be granted Purchase Rights unless the Eligible Service Provider is providing bona fide services to the Company or a Designated Company on the applicable Offering Date.

(f) Non-423 Component Offerings. Notwithstanding anything set forth herein except for Section 5(e) above, the Board may establish additional eligibility requirements, or fewer eligibility requirements, for Employees and/or Eligible Service Providers with respect to Offerings made under the Non-423 Component even if such requirements are not consistent with Section 423 of the Code.

6. Purchase Rights; Purchase Price.

(a) Grant and Maximum Contribution Rate. On each Offering Date, each Eligible Employee or Eligible Service Provider, pursuant to an Offering made under the Plan, will be granted a Purchase Right to purchase up to that number of shares of Common Stock (rounded down to the nearest whole share) purchasable either with a percentage or with a maximum dollar amount, as designated by the Board; provided however, that in the case of Eligible Employees, such percentage or maximum dollar amount will in either case not exceed 15% of such Employee's earnings (as defined by the Board in each Offering) during the period that begins on the Offering Date (or such later date as the Board determines for a particular Offering) and ends on the date stated in the Offering, which date will be no later than the end of the Offering, unless otherwise provided for in an Offering.

(b) Purchase Dates. The Board will establish one or more Purchase Dates during an Offering on which Purchase Rights granted for that Offering will be exercised and shares of Common Stock will be purchased in accordance with such Offering.

(c) Other Purchase Limitations. In connection with each Offering made under the Plan, the Board may specify (i) a maximum number of shares of Common Stock that may be purchased by any Participant on any Purchase Date during such Offering, (ii) a maximum aggregate number of shares of Common Stock that may be purchased by all Participants pursuant to such Offering and (iii) a maximum aggregate number of shares of Common Stock that may be purchased by all Participants on any Purchase Date under the Offering. If the aggregate purchase of shares of Common Stock issuable on exercise of Purchase Rights granted under the Offering would exceed any such maximum aggregate number, then, in the absence of any Board action otherwise, a pro rata (based on each Participant's accumulated Contributions) allocation of the shares of Common Stock (rounded down to the nearest whole share) available will be made in as nearly a uniform manner as will be practicable and equitable.

(d) Purchase Price. The purchase price of shares of Common Stock acquired pursuant to Purchase Rights will be not less than the lesser of:

(i) an amount equal to 85% of the Fair Market Value of the shares of Common Stock on the Offering Date; or

(ii) an amount equal to 85% of the Fair Market Value of the shares of Common Stock on the applicable Purchase Date.

7. Participation; Withdrawal; Termination.

(a) Enrollment. An Eligible Employee may elect to authorize payroll deductions as the means of making Contributions by completing and delivering to the Company, within the time specified by the Company, an enrollment form provided by the Company or any third party designated by the Company (each, a "***Company Designee***"). The enrollment form will specify the amount of Contributions not to exceed the maximum amount specified by the Board. Each Participant's Contributions will be credited to a bookkeeping account for such Participant under the Plan and will be deposited with the general funds of the Company except where Applicable Laws require that Contributions be deposited with a Company Designee or otherwise be segregated.

(b) Contributions. If permitted in the Offering, a Participant may begin Contributions with the first payroll or payment date occurring on or after the Offering Date (or, in the case of a payroll date or payment date that occurs after the end of the prior Offering but before the Offering Date of the next new Offering, Contributions from such payroll or payment will be included in the new Offering) or on such other date as set forth in the Offering. If permitted in the Offering, a Participant may thereafter reduce (including to zero) or increase his or her Contributions. If required under Applicable Laws or if specifically provided in the Offering, in addition to or instead of making Contributions by payroll deductions, a Participant may make Contributions through a payment by cash, check, or wire transfer prior to a Purchase Date, in a manner directed by the Company or a Company Designee.

(c) Withdrawals. During an Offering, a Participant may cease making Contributions and withdraw from the Offering by delivering to the Company or a Company Designee a withdrawal form provided by the Company. The Company may impose a deadline before a Purchase Date for withdrawing. On such withdrawal, such Participant's Purchase Right in that Offering will immediately terminate and the Company will distribute as soon as practicable to such Participant all of his or her accumulated but unused Contributions without interest and such Participant's Purchase Right in that Offering will then terminate. A Participant's withdrawal from that Offering will have no effect on his or her eligibility to participate in any other Offerings under the Plan, but such Participant will be required to deliver a new enrollment form to participate in subsequent Offerings.

(d) Termination of Eligibility. Purchase Rights granted pursuant to any Offering under the Plan will terminate immediately if the Participant either (i) is no longer an Eligible Employee or Eligible Service Provider for any reason or for no reason, or (ii) is otherwise no longer eligible to participate. The Company shall have the exclusive discretion to determine when a Participant is no longer actively providing services and the date of the termination of employment or service for purposes of the Plan. As soon as practicable, the Company will distribute to such individual all of his or her accumulated but unused Contributions without interest.

(e) Leave of Absence. For purposes of this Section 7, an Employee will not be deemed to have terminated employment or failed to remain in the continuous employ of the Company or of a Designated Company in the case of sick leave, military leave, or any other leave of absence approved by the Company or by the Designated Company that directly employs the Employee; provided that such leave is for a period of not more than three (3) months or reemployment upon the expiration of such leave is guaranteed by contract or statute. The Company will have sole discretion to determine whether a Participant has terminated employment and the effective date on which the Participant terminated employment, regardless of any notice period or garden leave required under local law. Where the period of leave exceeds three (3) months and the Employee's right to reemployment is not guaranteed either by statute or by contract, the employment relationship will be deemed to have terminated three (3) months and one (1) day following the commencement of such leave.

(f) Transfers. Unless otherwise determined by the Board, a Participant whose employment (or in the case of an Eligible Service Provider, service) transfers or whose employment (or in the case of an Eligible Service Provider, service) terminates with an immediate rehire (or in the case of an Eligible Service Provider, reengagement) with no break in employment (or in the case of an Eligible Service Provider, service) by or between the Company and a Designated Company or between Designated Companies will not be treated as having terminated employment (or in the case of an Eligible Service Provider, service) for purposes of participating in the Plan or an Offering; however, if a Participant transfers from an Offering under the 423 Component to an Offering under the Non-423 Component, the exercise of the Participant's Purchase Right will be qualified under the 423 Component only to the extent such exercise complies with Section 423 of the Code. If a Participant transfers from an Offering under the Non-423 Component to an Offering under the 423 Component, the exercise of the Purchase Right will remain non-qualified under the Non-423 Component. In the event that a Participant's Purchase Right is terminated under the Plan, the Company will distribute as soon as practicable to such individual all of his or her accumulated but unused Contributions without interest.

(g) No Transfers of Purchase Rights. During a Participant's lifetime, Purchase Rights will be exercisable only by such Participant. Purchase Rights are not transferable by a Participant, except by will, by the laws of descent and distribution, or, if permitted by the Company, by a beneficiary designation as described in Section 10.

(h) No Interest. Unless otherwise specified in the Offering or required by Applicable Laws, the Company will have no obligation to pay interest on Contributions.

8. Exercise of Purchase Rights.

(a) On each Purchase Date, each Participant's accumulated Contributions will be applied to the purchase of shares of Common Stock (rounded down to the nearest whole share), up to the maximum number of shares of Common Stock permitted by the Plan and the applicable Offering, at the purchase price specified in the Offering. No fractional shares will be issued unless specifically provided for in the Offering.

(b) Unless otherwise provided in the Offering, if any amount of accumulated Contributions remains in a Participant's account after the purchase of shares of Common Stock on the final Purchase Date in an Offering, then such remaining amount will roll over to the next Offering.

(c) No Purchase Rights may be exercised to any extent unless the shares of Common Stock to be issued on such exercise under the Plan are covered by an effective registration statement pursuant to the Securities Act and the Plan is in material compliance with all Applicable Laws. If on a Purchase Date the shares of Common Stock are not so registered or the Plan is not in such compliance, no Purchase Rights will be exercised on such Purchase Date, and the Purchase Date will be delayed until the shares of Common Stock are subject to such an effective registration statement and the Plan is in material compliance, except that the Purchase Date will in no event be more than three (3) months from the original Purchase Date. If, on the Purchase Date, as delayed to the maximum extent permissible, the shares of Common Stock are not registered and the Plan is not in material compliance with all Applicable Laws, as determined by the Company in its sole discretion, no Purchase Rights will be exercised and all accumulated but unused Contributions will be distributed as soon as practicable to the Participants without interest.

9. Covenants of the Company. The Company will seek to obtain from each U.S. federal or state, foreign or other regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Purchase Rights and issue and sell shares of Common Stock thereunder unless the Company determines, in its sole discretion, that doing so would cause the Company to incur costs that are unreasonable. If, after commercially reasonable efforts, the Company is unable to obtain the authority that counsel for the Company deems necessary for the grant of Purchase Rights or the lawful issuance and sale of Common Stock under the Plan, and at a commercially reasonable cost, the Company will be relieved from any liability for failure to grant Purchase Rights or to issue and sell Common Stock on exercise of such Purchase Rights.

10. Designation of Beneficiary.

(a) The Company may, but is not obligated to, permit a Participant to submit a form designating a beneficiary who will receive any shares of Common Stock or Contributions from the Participant's account under the Plan if the Participant dies before such shares or Contributions are delivered to the Participant. The Company may, but is not obligated to, permit the Participant to change such designation of beneficiary. Any such designation or change must be on a form approved by the Company or as approved by the Company for use by a Company Designee.

(b) If a Participant dies, in the absence of a valid beneficiary designation, the Company will deliver any shares of Common Stock and Contributions without interest to the executor or administrator of the estate of the Participant. If no executor or administrator has been appointed (to the knowledge of the Company), the Company, in its sole discretion, may deliver such shares of Common Stock and Contributions, without interest, to the Participant's spouse, dependents or relatives, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

11. Capitalization Adjustments; Dissolution or Liquidation; Corporate Transactions

(a) Capitalization Adjustment. In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a), (ii) the class(es) and maximum number of securities by which the share reserve is to increase automatically each year pursuant to Section 3(a), (iii) the class(es) and number of securities subject to, and the purchase price applicable to outstanding Offerings and Purchase Rights, and (iv) the class(es) and number of securities that are the subject of the purchase limits under each ongoing Offering. The Board will make these adjustments, and its determination will be final, binding, and conclusive.

(b) Dissolution or Liquidation. In the event of a dissolution or liquidation of the Company, the Board will shorten any Offering then in progress by setting a New Purchase Date prior to the consummation of such proposed dissolution or liquidation. The Board will notify each Participant in writing, prior to the New Purchase Date that the Purchase Date for the Participant's Purchase Rights has been changed to the New Purchase Date and that such Purchase Rights will be automatically exercised on the New Purchase Date, unless prior to such date the Participant has withdrawn from the Offering as provided in Section 7.

(c) Corporate Transaction. In the event of a Corporate Transaction, then: (i) any surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) may assume or continue outstanding Purchase Rights or may substitute similar rights (including a right to acquire the same consideration paid to the stockholders in the Corporate Transaction) for outstanding Purchase Rights, or (ii) if any surviving or acquiring corporation (or its parent company) does not assume or continue such Purchase Rights or does not substitute similar rights for such Purchase Rights, then the Participants' accumulated Contributions will be used to purchase shares of Common Stock (rounded down to the nearest whole share) prior to the Corporate Transaction under the outstanding Purchase Rights (with such actual date to be determined by the Board in its sole discretion), and the Purchase Rights will terminate immediately after such purchase. The Board will notify each Participant in writing, prior to the New Purchase Date that the Purchase Date for the Participant's Purchase Rights has been changed to the New Purchase Date and that such Purchase Rights will be automatically exercised on the New Purchase Date, unless prior to such date the Participant has withdrawn from the Offering as provided in Section 7.

(d) Spin-Off. In the event of a spin-off or similar transaction involving the Company, the Board may take actions deemed necessary or appropriate in connection with an ongoing Offering and subject to compliance with Applicable Laws (including the assumption of Purchase Rights under an ongoing Offering by the spun-off company, or shortening an Offering and scheduling a New Purchase Date prior to the closing of such transaction). In the absence of any such action by the Board, a Participant in an ongoing Offering whose employer ceases to qualify as a Related Corporation as of the closing of a spin-off or similar transaction will be treated in the same manner as if the Participant had terminated employment (as provided in Section 7(d)).

12. Amendment, Termination or Suspension of the Plan

(a) Plan Amendment. The Board may amend the Plan at any time in any respect the Board deems necessary or advisable. However, except as provided in Section 11(a) relating to Capitalization Adjustments, stockholder approval will be required for any amendment of the Plan for which stockholder approval is required by Applicable Laws, including any amendment that either (i) increases the number of shares of Common Stock available for issuance under the Plan, (ii) expands the class of individuals eligible to become Participants and receive Purchase Rights, (iii) materially increases the benefits accruing to Participants under the Plan or reduces the price at which shares of Common Stock may be purchased under the Plan, (iv) extends the term of the Plan, or (v) expands the types of awards available for issuance under the Plan, but in each of (i) through (v) above only to the extent stockholder approval is required by Applicable Laws.

(b) Suspension or Termination. The Board may suspend or terminate the Plan at any time. No Purchase Rights may be granted under the Plan while the Plan is suspended or after it is terminated.

(c) No Impairment of Rights. Any benefits, privileges, entitlements, and obligations under any outstanding Purchase Rights granted before an amendment, suspension, or termination of the Plan will not be materially impaired by any such amendment, suspension, or termination except (i) with the consent of the person to whom such Purchase Rights were granted, (ii) as necessary to comply with any laws, listing requirements, or governmental regulations (including, without limitation, the provisions of Section 423 of the Code and the regulations and other interpretive guidance issued thereunder relating to Employee Stock Purchase Plans) including without limitation any such regulations or other guidance that may be issued or amended

after the date the Plan is adopted by the Board, or (iii) as necessary to obtain or maintain any special tax, listing, or regulatory treatment. To be clear, the Board may amend outstanding Purchase Rights without a Participant's consent if such amendment is necessary to ensure that the Purchase Right or the 423 Component complies with the requirements of Section 423 of the Code.

(d) Corrections and Administrative Procedures. Notwithstanding anything in the Plan to the contrary, the Board will be entitled to: (i) permit Contributions in excess of the amount designated by a Participant in order to adjust for mistakes in the Company's processing of properly completed Contribution elections; (ii) establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with amounts withheld from the Participant's Contributions; (iii) amend any outstanding Purchase Rights or clarify any ambiguities regarding the terms of any Offering to enable the Purchase Rights to qualify under and/or comply with Section 423 of the Code; and (iv) establish other limitations or procedures as the Board determines in its sole discretion advisable that are consistent with the Plan. The actions of the Board pursuant to this paragraph will not be considered to alter or impair any Purchase Rights granted under an Offering as they are part of the initial terms of each Offering and the Purchase Rights granted under each Offering.

13. Tax Matters.

(a) Section 409A of the Code. Purchase Rights granted under the 423 Component are intended to be exempt from the application of Section 409A of the Code under Treasury Regulations Section 1.409A-1(b)(5)(ii). Purchase Rights granted under the Non-423 Component to U.S. taxpayers are intended to be exempt from the application of Section 409A of the Code under the short-term deferral exception and any ambiguities will be construed and interpreted in accordance with such intent. Subject to Section 13(b) below, Purchase Rights granted to U.S. taxpayers under the Non-423 Component will be subject to such terms and conditions that will permit such Purchase Rights to satisfy the requirements of the short-term deferral exception available under Section 409A of the Code, including the requirement that the shares subject to a Purchase Right be delivered within the short-term deferral period. Subject to Section 13(b) below, in the case of a Participant who would otherwise be subject to Section 409A of the Code, to the extent the Board determines that a Purchase Right or the exercise, payment, settlement, or deferral thereof is subject to Section 409A of the Code, the Purchase Right will be granted, exercised, paid, settled, or deferred in a manner that will comply with Section 409A of the Code, including the Treasury Regulations and other interpretive guidance issued thereunder, including, without limitation, any such regulations or other guidance that may be issued after the adoption of the Plan. Notwithstanding the foregoing, the Company will have no liability to a Participant or any other party if the Purchase Right that is intended to be exempt from or compliant with Section 409A of the Code is not so exempt or compliant or for any action taken by the Board with respect thereto.

(b) No Guarantee of Tax Treatment. Although the Company may endeavor to (i) qualify a Purchase Right for special tax treatment under the laws of the United States or jurisdictions outside of the United States or (ii) avoid adverse tax treatment (e.g., under Section 409A of the Code), the Company makes no representation to that effect and expressly disavows any covenant to maintain special or to avoid unfavorable tax treatment, notwithstanding anything to the contrary in this Plan, including Section 13(a) above. The Company will be unconstrained in its corporate activities without regard to the potential negative tax impact on Participants under the Plan.

14. Tax Withholding. The Participant will make adequate provision to satisfy theTax-Related Items obligations, if any, of the Company and/or the applicable Designated Company that arise with respect to Participant's participation in the Plan, the grant of Purchase Rights under the Plan, the exercise of Purchase Rights and purchase of shares of Common Stock and/or the disposition of such shares. The Company and/or the Designated Company may, but will not be obligated to, (a) withhold from the Participant's compensation or any other payments due to the Participant the amount necessary to meet such Tax-Related Items, (b) withhold a sufficient whole number of shares of Common Stock issued upon exercise of a Purchase Right having an aggregate value sufficient to satisfy the Tax-Related Items, (c) withhold from proceeds of a sale of shares of Common Stock, either through a voluntary sale or a mandatory sale arranged by the Company, the amount necessary to satisfy the Tax-Related Items, or (d) use any other method of withholding that the Company and/or the Designated Company deem appropriate to satisfy such Tax-Related Items. The Company and/or the Designated Company will have the right to take any further actions as may be necessary in the opinion of the Company or the Designated Company to satisfy the withholding and/or reporting obligations for such Tax-Related Items. The Company shall not be required to issue any shares of Common Stock under the Plan until such obligations are satisfied.

15. Effective Date of Plan. The Plan will become effective on the Effective Date. No Purchase Rights will be exercised unless and until the Plan has been approved by the stockholders of the Company, which approval must be within 12 months before or after the date the Plan is adopted (or, if required under Section 12(a) above, amended) by the Board.

16. Miscellaneous Provisions.

(a) Proceeds from the sale of shares of Common Stock pursuant to Purchase Rights will constitute general funds of the Company.

(b) A Participant will not be deemed to be the holder of, or to have any of the rights of a holder with respect to, shares of Common Stock subject to Purchase Rights unless and until the Participant's shares of Common Stock acquired on exercise of Purchase Rights are recorded in the books of the Company (or its transfer agent).

(c) The Plan and any Offering do not constitute an employment or service contract. Nothing in the Plan or in any Offering will in any way alter the at-will nature of a Participant's employment, if applicable, or be deemed to create in any way whatsoever any obligation on the part of any Participant to continue his or her employment or service relationship with the Company, a Related Corporation, or an Affiliate, or on the part of the Company, a Related Corporation, or an Affiliate to continue the employment or service of a Participant.

(d) The provisions of the Plan will be governed by the laws of the State of Delaware without resort to that state's conflicts of laws rules. For purposes of litigating any dispute that may arise directly or indirectly from the Plan or any Offering, the parties hereby submit and consent to the exclusive jurisdiction of the State of Delaware and agree that any such litigation shall be conducted only in the courts of Delaware or the federal courts of the United States located in Delaware and no other courts.

(e) If any particular provision of the Plan is found to be invalid or otherwise unenforceable, such provision will not affect the other provisions of the Plan, but the Plan will be construed in all respects as if such invalid provision were omitted.

(f) If any provision of the Plan does not comply with Applicable Laws, such provision will be construed in such a manner as to comply with Applicable Laws.

17. Definitions. As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) "***423 Component***" means the part of the Plan, which excludes theNon-423 Component, pursuant to which Purchase Rights that are intended to satisfy the requirements for an Employee Stock Purchase Plan may be granted to Eligible Employees of the Company or a Related Corporation.

(b) "***Affiliate***" means any entity, other than a Related Corporation, in which the Company has an equity or other ownership interest or that is directly or indirectly controlled by, controls, or is under common control with the Company, in all cases, as determined by the Board, whether now or hereafter existing.

(c) "***Applicable Laws***" means all applicable laws, rules, regulations and requirements, including, but not limited to, all applicable U.S. federal or state laws, rules and regulations, the rules and regulations of any stock exchange or quotation system on which the Common Stock is listed or quoted, and the applicable laws, rules and regulations of any other country or jurisdiction where Purchase Rights are, or will be, granted under the Plan or Participants reside or provide services to the Company or any Related Corporation or Affiliate, as such laws, rules, and regulations shall be in effect from time to time.

(d) "***Board***" means the Board of Directors of the Company.

(e) "***Capitalization Adjustment***" means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Purchase Right after the Effective Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other similar "equity restructuring" transaction, as that term is used in Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(f) "***Code***" means the U.S. Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(g) "***Committee***" means a committee of one or more members of the Board to whom authority has been delegated by the Board in accordance with Section 2(c).

(h) "***Common Stock***" means the common stock of the Company.

(i) "***Company***" means Local Bounti Corporation, a Delaware corporation.

(j) "***Contributions***" means the payroll deductions or other payments specifically provided for in the Offering that a Participant contributes to fund the exercise of a Purchase Right. A Participant may make additional payments into his or her account if specifically provided for in the Offering, and then only if the Participant has not already contributed the maximum permitted amount of payroll deductions and other payments during the Offering.

(k) "***Corporate Transaction***" means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a transfer of all or substantially all of the Company's assets;

(ii) a merger, consolidation or other capital reorganization or business combination transaction of the Company with or into another corporation, entity or person; or

(iii) the consummation of a transaction, or series of related transactions, in which any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of more than 50% of the Company's then outstanding capital stock.

(l) "***Designated 423 Corporation***" means any Related Corporation selected by the Board as participating in the 423 Component.

(m) "***Designated Company***" means any Designated Non-423 Corporation or Designated 423 Corporation, provided, however, that at any given time, a Related Corporation participating in the 423 Component will not be a Related Corporation participating in the Non-423 Component.

(n) "***Designated Non-423 Corporation***" means any Related Corporation or Affiliate selected by the Board as participating in the Non-423 Component.

(o) "***Director***" means a member of the Board.

(p) "***Effective Date***" means November 16, 2021.

(q) "***Eligible Employee***" means an Employee who meets the requirements set forth in the document(s) governing the Offering for eligibility to participate in the Offering, provided that such Employee also meets the requirements for eligibility to participate set forth in the Plan.

(r) "***Eligible Service Provider***" means a natural person other than an Employee or Director who (i) is designated by the Board to be an "Eligible Service Provider," (ii) provides bona fide services to the Company, a Related Corporation or an Affiliate, and (iii) meets the requirements set forth in the document(s) governing the Offering for eligibility to participate in the Offering, provided that such person also meets the requirements for eligibility to participate set forth in the Plan.

(s) "***Employee***" means any person, including an Officer or Director, who is treated as an employee in the records of the Company, a Related Corporation or Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

(t) "***Employee Stock Purchase Plan***" means a plan that grants Purchase Rights intended to be options issued under an "employee stock purchase plan," as that term is defined in Section 423(b) of the Code.

(u) "***Exchange Act***" means the U.S. Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder.

(v) "***Fair Market Value***" means, as of any date, the value of the Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, its Fair Market Value will be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the date of determination, as reported in such source as the Board deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value will be the mean between the high bid and low ask prices for the Common Stock on the date of determination, as reported in such source as the Board deems reliable; or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value will be determined in good faith by the Board in compliance with Applicable Laws and in a manner that complies with Sections 409A of the Code.

(w) "***Fiscal Year***" means the fiscal year of the Company.

(x) "***New Purchase Date***" means a new Purchase Date set by shortening any Offering then in progress.

(y) "***Non-423 Component***" means the part of the Plan, which excludes the 423 Component, pursuant to which Purchase Rights that are not intended to satisfy the requirements for an Employee Stock Purchase Plan may be granted to Eligible Employees and Eligible Service Providers.

(z) "***Offering***" means the grant to Eligible Employees or Eligible Service Providers of Purchase Rights, with the exercise of those Purchase Rights automatically occurring at the end of one or more Purchase Periods. The terms and conditions of an Offering will generally be set forth in the "***Offering Document***" approved by the Board for that Offering.

(aa) "***Offering Date***" means a date selected by the Board for an Offering to commence.

(bb) ***"Offering Period"*** means a period with respect to which the right to purchase Common Stock may be granted under the Plan, as determined by the Board pursuant to the Plan.

(cc) "***Officer***" means a person who is an officer of the Company, a Related Corporation or Affiliate within the meaning of Section 16 of the Exchange Act.

(dd) "***Participant***" means an Eligible Employee or Eligible Service Provider who holds an outstanding Purchase Right.

(ee) "***Plan***" means this Local Bounti Corporation 2021 Employee Stock Purchase Plan, including both the 423 Component and the Non-423 Component, as amended from time to time.

(ff) "***Purchase Date***" means one or more dates during an Offering selected by the Board on which Purchase Rights will be exercised and on which purchases of shares of Common Stock will be carried out in accordance with such Offering.

(gg) "***Purchase Period***" means a period of time specified within an Offering, generally beginning on the Offering Date or on the first Trading Day following a Purchase Date and ending on a Purchase Date. An Offering may consist of one or more Purchase Periods.

(hh) "***Purchase Right***" means an option to purchase shares of Common Stock granted pursuant to the Plan.

(ii) "***Related Corporation***" means any "parent corporation" or "subsidiary corporation" of the Company whether now or subsequently established, as those terms are defined in Sections 424(e) and (f), respectively, of the Code.

(jj) "***Securities Act***" means the U.S. Securities Act of 1933, as amended.

(kk) "***Tax-Related Items***" means any or all applicable national, local or other income tax, social insurance or other social contributions, national insurance, social security, payroll tax, fringe benefit tax, payment on account, withholding, required deductions or payments or other tax-related items.

(ll) "***Trading Day***" means any day on which the exchange or market on which shares of Common Stock are listed is open for trading.

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Exhibit 10.9

Type A Template

LOCAL BOUNTI CORPORATION

490 Foley Lane, Hamilton, MT 59840

[Date]

[Employee Name]

Re: EMPLOYMENT AGREEMENT

Dear [Name]:

This Employment Agreement (the "***Agreement***") between you (referred to hereinafter as the "***Employee***" or "***you***") and Local Bounti Corporation, a Delaware corporation (the "***Company***"), sets forth the terms and conditions that shall govern the period of Employee's employment with the Company and its affiliates (referred to hereinafter as "***Employment***" or the "***Employment Period***") effective as of immediately after the Closing of the Mergers (as those terms are defined in the Merger Agreement (as defined below)) (the "***Effective Date***").

1. **Duties and Scope of Employment**

(a) **At-Will Employment**. Employee's Employment with the Company is for no specified period and constitutes "at will" employment. Except as otherwise set forth herein, Employee is free to terminate Employment at any time, with or without advance notice, and for any reason or for no reason. Similarly, the Company is free to terminate Employee's Employment at any time, with or without advance notice, and with or without Cause (as defined below). Furthermore, although terms and conditions of Employee's Employment with the Company may change over time, nothing shall change the at-will nature of Employee's Employment. This Section 1(a) shall be limited to the extent required under applicable law.

(b) **Position and Responsibilities**. During the Employment Period, the Company agrees to employ Employee in the position ofCo-Chief Executive Officer. Employee will report to the Company's Board of Directors (the "***Board***"). Employee will perform the duties and have the responsibilities and authority customarily performed and held by an employee in Employee's position or as otherwise may be assigned or delegated to Employee by the Board.

(c) **Obligations to the Company**. During the Employment Period, Employee shall perform Employee's duties faithfully and to the best of Employee's ability and will devote Employee's full business efforts and time to the Company. During the Employment Period, without the prior written approval of the Board, Employee shall not render services in any capacity to any other Person and shall not act as a sole proprietor or partner of any other Person or own more than five percent (5%) of the ownership interests in any other entity. Notwithstanding the foregoing, Employee may serve on civic or charitable boards or committees, deliver lectures, fulfill speaking engagements, teach at educational institutions, or manage personal investments without advance written consent of the Board; provided that such activities do not individually or in the aggregate interfere with the performance of Employee's duties under this Agreement or create a potential business or fiduciary conflict, with an additional list of permitted activities attached hereto as Annex I ("***Permitted Activities***"). Employee shall comply with the Company's policies and rules, as they may be in effect from time to time during Employee's Employment.

(d) **Business Opportunities**. During Employee's Employment, Employee shall promptly disclose to the Company each business opportunity of a type, which based upon its prospects and relationship to the business of the Company or its affiliates, the Company might reasonably consider pursuing. In the event that Employee's Employment is terminated for any reason, the Company or its affiliates shall have the exclusive right to participate in or undertake any such opportunity on their own behalf without any involvement by or compensation to Employee under this Agreement.

(e) **No Conflicting Obligations**. Employee represents and warrants to the Company that Employee is under no obligations or commitments, whether contractual or otherwise, that are inconsistent with Employee's obligations under this Agreement or that would otherwise prohibit Employee from performing Employee's duties with the Company. In connection with Employee's Employment, Employee shall not use or disclose any trade secrets or other proprietary information or intellectual property in which Employee or any other Person has any right, title or interest and Employee's Employment will not infringe or violate the rights of any other Person. Employee represents and warrants to the Company that prior to the Effective Date, Employee shall have returned all property and confidential information belonging to any prior employer.

2. **Base Salary**. The Company shall pay Employee, as compensation for Employee's services, a base salary at a gross annual rate of $[____], less all required tax withholdings and other applicable deductions, in accordance with the Company's standard payroll procedures. The annual compensation specified in this Section 2, together with any modifications in such compensation that the Company may make from time to time, is referred to in this Agreement as the "***Base Salary***." Employee's Base Salary will be subject to review and adjustments that will be made based upon the Company's normal performance review practices. Effective as of the date of any change to Employee's Base Salary, the Base Salary as so changed shall be considered the new Base Salary for all purposes of this Agreement.

3. **Employee Benefits**. During the Employment Period, Employee shall be eligible to (a) participate in the paid time off program of the Company, as it may be amended from time to time and (b) participate in the employee benefit plans maintained by the Company and generally available to similarly situated employees of the Company, subject in each case to the generally applicable terms and conditions of the plan or policy in question and to the determinations of any Person or committee administering such employee benefit plan or policy. The Company reserves the right to cancel or change the employee benefit plans, policies and programs it offers to its employees at any time.

4. **Business Expenses**. The Company will reimburse Employee for necessary and reasonable business expenses incurred in connection with Employee's duties hereunder upon presentation of an itemized account and appropriate supporting documentation, all in accordance with the Company's generally applicable policies.

5. **Rights Upon Termination**. Except as expressly provided in Section 6, upon the termination of Employee's Employment, Employee shall only be entitled to (a) any accrued but unpaid Base Salary, (b) all other benefits earned and expenses to be reimbursed as described in this Agreement or under any Company-provided plans, policies, and arrangements for the period preceding the Termination Date, each in accordance with the governing documents and policies of any such benefits, reimbursements, plans and arrangements, (c) any payments of or with respect to equity awards of the Company (or any affiliate) in accordance with the terms of such awards, and (d) such other compensation or benefits from the Company as may be required by law (collectively, the "***Accrued Benefits***"). All Accrued Benefits shall be paid in accordance with applicable law and the terms of the applicable plan, program or agreement (if any) governing such payment or benefit.

6. **Termination Benefits**.

(a) **Involuntary Termination Not in Connection with a Change in Control**. If Employee's Termination Date (as defined below) occurs (i) due to termination by the Company for a reason other than Cause, Employee becoming Disabled or Employee's death, or (ii) due to resignation by Employee on account of Good Reason (as defined below) (each, an "***Involuntary Termination***"), in any case at any time other than at or during the twelve (12)-month period immediately following a Change in Control (as defined in the 2021 Plan), then, subject to Section 7 (other than with respect to the Accrued Benefits), Employee will be entitled to the following:

(i) **Accrued Benefits**. The Company will pay Employee all Accrued Benefits.

(ii) **Severance Payment**. Employee will receive continuing payments of severance pay at a rate equal to Employee's Base Salary as in effect immediately prior to the Termination Date (without any reduction therein that constitutes Good Reason), for a period of 12 months from Employee's Termination Date, less all required tax withholdings and other applicable deductions, which will be paid in accordance with the Company's regular payroll procedures. Payments pursuant to this Section 6(a)(ii) shall commence on the Release Deadline (as defined in Section 7(a)) provided that the first payment shall include any amounts that would have been paid to Employee if payment had commenced on Employee's Termination Date.

(iii) **Continued Employee Benefits**. If Employee elects continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***"), for Employee and/or Employee's eligible dependents, within the time period prescribed pursuant to COBRA, the Company will reimburse Employee for the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Employee's Termination Date) until the earlier of (A) a period of 12 months from the Termination Date, or (B) the date upon which Employee and/or Employee's eligible dependents become covered under similar plans. Notwithstanding the foregoing, if the Company is not subject to the requirements of COBRA, the COBRA reimbursements described in this Section 6(a)(iii) will be made to Employee as if Employee had been entitled to and elected COBRA coverage within the applicable time period. COBRA reimbursements will be made by the Company to Employee consistent with the Company's normal expense reimbursement policy and will be taxable to the extent required to avoid adverse consequences to Employee or the Company under either Section 105(h) of the Code or the Patient Protection and Affordable Care Act of 2010 (the "***ACA***").

(iv) **Equity**. If the Employee's termination date is at least twelve (12) months following the Employee's start date with the Company, all of Employee's unvested and outstanding equity awards that would have become vested had Employee remained in the employ of the Company for the 12-month period following Employee's termination of employment shall immediately vest and become exercisable as of the date of Employee's termination.

(b) **Involuntary Termination in Connection with a Change in Control**. If during the twelve (12)-month period beginning on a Change in Control (excluding, for avoidance of doubt, the transactions contemplated by the Merger Agreement), an Involuntary Termination of Employee's Employment occurs, then, subject to Section 7 (other than with respect to the Accrued Benefits), Employee will be entitled to the following (in lieu of the payments and benefits described in Section 6(a) above):

(i) **Accrued Benefits**. The Company will pay Employee all Accrued Benefits.

(ii) **Severance Payment**. Employee will receive a lump sum severance payment equal to 2.0 times Employee's Base Salary as in effect immediately prior to the Termination Date (without any reduction therein that constitutes Good Reason), less all required tax withholdings and other applicable deductions, which lump sum payment will be paid on the Release Deadline.

(iii) **Continued Employee Benefits**. If Employee elects continuation coverage pursuant to COBRA, for Employee and/or Employee's eligible dependents, within the time period prescribed pursuant to COBRA, the Company will reimburse Employee for the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Employee's Termination Date) until the earlier of (A) a period of 24 months from the Termination Date, or (B) the date upon which Employee and/or Employee's eligible dependents become covered under similar plans. Notwithstanding the foregoing, if the Company is not subject to the requirements of COBRA, the COBRA reimbursements described in this Section 6(b)(iii) will be made to Employee as if Employee had been entitled to and elected COBRA coverage within the applicable time period. COBRA reimbursements will be made by the Company to Employee consistent with the Company's normal expense reimbursement policy and will be taxable to the extent required to avoid adverse consequences to Employee or the Company under either Section 105(h) of the Code or the ACA.

(iv) **Equity**. If the Employee's termination date is at least twelve (12) months following the Employee's start date with the Company, all of Employee's unvested and outstanding equity awards that would have become vested had Employee remained in the employ of the Company following Employee's termination of employment shall immediately vest and become exercisable as of the date of Employee's termination.

(c) **Disability; Death; Voluntary Resignation; Termination for Cause**. If Employee's Termination Date occurs due to (A) Employee becoming Disabled or Employee's death, (B) Employee's voluntary resignation other than for Good Reason, or (C) the Company's termination of Employee's employment with the Company for Cause, then Employee or Employee's estate (as the case may be) will receive the Accrued Benefits, but will not be entitled to any other compensation or benefits from the Company.

(d) **Exclusive Remedy**. In the event of the termination of Employee's Employment with the Company (or any affiliate or successor), the severance payments and benefits set forth in this Section 6 are intended to be and are exclusive and in lieu of any other rights or remedies to which Employee may otherwise be entitled, whether at law, tort or contract, in equity, or under this Agreement other than the Accrued Benefits.

(e) **No Duty to Mitigate**. Employee will not be required to mitigate the amount of any payment or benefit contemplated by this Agreement, nor will any earnings that Employee may receive from any other source reduce any such payment or benefit.

7. **Conditions to Receipt of Termination Benefits**.

(a) **Release of Claims Agreement**. The receipt of any severance payments or benefits pursuant to Section 6 of this Agreement (other than Accrued Benefits) is subject to Employee signing and not revoking a separation agreement and release of claims in a form acceptable to the Company (the "***Release***"), which must become effective no later than the sixtieth (60th) day following Employee's Termination Date (the "***Release Deadline***"). If the Release is not effective by the Release Deadline, Employee will forfeit any right to severance payments or benefits under Section 6 of this Agreement (other than Accrued Benefits). Subject to the foregoing, to become effective, the Release must be executed by Employee (or Employee's representative in the event of Employee's death or Disability following the Termination Date) and any revocation periods (as required by statute, regulation, or otherwise) must have expired without Employee (or Employee's representative, if applicable) having revoked the Release.

Without regard to any special timing provisions set forth in Section 6 of this Agreement, any severance payments or benefits under Section 6 (other than Accrued Benefits) that are Deferred Payments (as defined in Section 8(a)) will be paid or commence on the first payroll date following the date on which the Release becomes effective unless the Release Deadline would have occurred in a subsequent calendar year to the date on which the Release becomes effective, in which case the severance payments and benefits that are Deferred Payments shall be paid or commence on the first payroll period of the calendar year following the calendar year in which the Termination Date occurs. For the avoidance of doubt, Accrued Benefits are not subject to the provisions of this Section 7(a).

(b) **Confidential Information Agreement**. Employee's receipt of any severance payments or benefits under Section 6 will be subject to Employee continuing to comply with the terms of the Confidentiality Agreement (as defined in Section 11 below).

8. **Section 409A**.

(a) Notwithstanding anything to the contrary in this Agreement, no severance payment or benefit to be paid or provided to Employee, if any, pursuant to this Agreement that, when considered together with any other severance payments or separation benefits, are considered deferred compensation not exempt under Section 409A (as defined below) (each, a "***Deferred Payment***") will be paid or otherwise provided until Employee has a "separation from service" within the meaning of Section 409A and for purposes of this Agreement, any reference to "termination of employment," "termination" or any similar term shall be construed to mean a "separation from service" within the meaning of Section 409A.

(b) Notwithstanding anything to the contrary in this Agreement, if Employee is a "***specified employee***" within the meaning of Section 409A at the time of Employee's termination of employment (other than due to death), then the Deferred Payments, if any, that are payable within the first six (6) months following Employee's separation from service, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Employee's separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Employee dies following Employee's separation from service, but prior to the six (6) month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Employee's death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment, installment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

(c) Without limitation, any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations is not intended to constitute a Deferred Payment for purposes of Section 8(a) above.

(d) Without limitation, any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the Section 409A Limit (as defined below) is not intended to constitute a Deferred Payment for purposes of Section 8(a) above. Any payment intended to qualify under this exemption must be made within the allowable time period specified in Section 1.409A-1(b)(9)(iii) of the Treasury Regulations. "***Section 409A Limit***" means two (2) times the lesser of: (i) Employee's annualized compensation based upon the annual rate of pay paid to Employee during Employee's taxable year preceding Employee's taxable year of his or her separation from service as determined under Treasury Regulations Section 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Employee's separation from service occurred.

(e) Notwithstanding the payment provisions of Section 6, in the event and to the extent that the form of the severance benefit or payment to be provided after a Change in Control is different than the form of such severance benefit or payment to be provided prior to a Change in Control and if the applicable severance benefit or payment is a Deferred Payment, then the form of post-Change in Control severance benefit or payment shall be given effect only to the extent permitted by Section 409A and if not so permitted, such post-Change in Control severance benefit or payment shall be provided in the same form that applies prior to the Change in Control.

(f) To the extent that reimbursements or in-kind benefits under this Agreement constitute non-exempt "nonqualified deferred compensation" for purposes of Section 409A, (A) all reimbursements hereunder shall be made on or prior to the last day of the calendar year following the calendar year in which the expense was incurred by Employee, (B) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (C) the amount of expenses eligible for reimbursement or in-kind benefits provided in any calendar year shall not in any way affect the expenses eligible for reimbursement or in-kind benefits to be provided, in any other calendar year.

(g) The payments and benefits provided under this Agreement are intended to be exempt from or comply with the requirements of Section 409A so that none of the payments or benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be exempt or so comply. The Company and Employee agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions that are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Employee under Section 409A.

9. **Golden Parachute**.

(a) Anything in this Agreement to the contrary notwithstanding, if any payment or benefit Employee would receive from the Company or otherwise ("***Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code; and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then such Payment shall be equal to the Reduced Amount. The "***Reduced Amount***" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax; or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Employee's receipt, on an after-tax basis, of the greater amount of the Payment. Any reduction made pursuant to this Section 9(a) shall be made in accordance with the following order of priority: (i) stock options whose exercise price exceeds the fair market value of the optioned stock ("***Underwater Options***") (ii) Full Credit Payments (as defined below) that are payable in cash, (iii) non-cash Full Credit Payments that are taxable, (iv) non-cash Full Credit Payments that are not taxable, (v) Partial Credit Payments (as defined below) and (vi) non-cash employee welfare benefits. In each case, reductions shall be made in reverse chronological order such that the payment or benefit owed on the latest date following the occurrence of the event triggering the excise tax will be the first payment or benefit to be reduced (with reductions made pro-rata in the event payments or benefits are owed at the same time). "***Full Credit Payment***" means a payment, distribution or benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, that if reduced in value by one dollar reduces the amount of the parachute payment (as defined in Section 280G of the Code) by one dollar, determined as if such payment, distribution or benefit had been paid or distributed on the date of the event triggering the excise tax. "***Partial Credit Payment***" means any payment, distribution or benefit that is not a Full Credit Payment.

(b) A nationally recognized certified public accounting firm selected by the Company (the "***Accounting Firm***") shall perform the foregoing calculations related to the Excise Tax. If a reduction is required pursuant to Section 9(a), the Accounting Firm shall administer the ordering of the reduction as set forth in Section 9(a). The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder.

(c) The Accounting Firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to Employee and the Company within fifteen (15) calendar days after the date on which Employee's right to a Payment is triggered. Any good faith determinations of the Accounting Firm made hereunder shall be final, binding, and conclusive upon Employee and the Company.

10. **Definition of Terms**. The following terms referred to in this Agreement will have the following meanings:

(a) **2021 Plan**. "***2021 Plan***" means the Company's 2021 Equity Incentive Plan.

(b) **Cause**. "***Cause***" means Employee's:

(i) willful failure to reasonably and substantially perform Employee's duties (other than as a result of physical or mental illness or injury);

(ii) willful misconduct, intentional misrepresentation or gross negligence which causes injury (or, in the case of willful misconduct, significant injury) to the Company or any of its affiliates (whether financially, reputationally or otherwise);

(iii) commission of an act of fraud, embezzlement, misappropriation or a breach by Employee of Employee's fiduciary duty or duty of loyalty to the Company or its affiliates;

(iv) indictment, receipt of a charge or conviction for (or plea of guilty or nolo contendere with respect to) any felony or any crime involving dishonesty or moral turpitude;

(v) unlawful use (including being under the influence) or possession of illegal drugs on the Company's premises;

(vi) breach of the material terms of any agreement with the Company or any affiliate or any material Company policies (including without limitation any improper disclosure of confidential data and breach of any policy related to sexual harassment, assault or fraternization); or

(vii) failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation.

Employee will not be terminated for Cause without the Company first providing Employee with written notice of the acts or omissions constituting the grounds for Cause within sixty (60) days of the initial existence of the grounds for Cause and, if capable of cure, a cure period of thirty (30) days following the date Employee receives such notice during which such condition must not have been cured.

(c) **Code**. "***Code***" means the Internal Revenue Code of 1986, as amended.

(d) **Disability**. "***Disability***" or "***Disabled***" means that Employee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than one (1) year.

(e) **Good Reason**. "***Good Reason***" means Employee's termination of Employment within thirty (30) days following the expiration of any cure period (discussed below) following the occurrence of one or more of the following, without Employee's consent:

(i) A material reduction of Employee's duties, authority or responsibilities, relative to Employee's duties, authority or responsibilities in effect immediately prior to such reduction; provided, that a reduction in duties, authority or responsibilities solely by virtue of the Company being acquired and made part of a larger entity (as, for example, when the COO of the Company remains as such following a change of control but is not made the COO of the acquiring corporation) will not constitute Good Reason;

(ii) A material reduction in Employee's Base Salary (except where there is a reduction applicable to all similarly situated executive officers generally); provided, that a reduction of less than ten percent (10%) will not be considered a material reduction in Base Salary; or

(iii) A material breach by the Company of a material provision of this Agreement.

Employee will not resign for Good Reason without first providing the Company with written notice of the acts or omissions constituting the grounds for Good Reason within sixty (60) days of the initial existence of the grounds for Good Reason and, if capable of cure, a cure period of thirty (30) days following the date the Company receives such notice during which such condition must not have been cured.

(f) **Governmental Authority**. "***Governmental Authority***" means any federal, state, municipal, foreign or other government, governmental department, commission, board, bureau, agency or instrumentality, or any private or public court or tribunal.

(g) **Merger Agreement**. "***Merger Agreement***" means that certain Agreement and Plan of Merger by and among Leo Holdings III Corp., Longleaf Merger Sub, Inc., Longleaf Merger Sub II, LLC and Local Bounti Corporation dated as of June 17, 2021.

(h) **Person**. "***Person***" shall be construed in the broadest sense and means and includes any natural person, partnership, corporation, association, joint stock company, limited liability company, trust, joint venture, unincorporated organization, other entity or Governmental Authority.

(i) **Section 409A**. "***Section 409A***" means Section 409A of the Code, and the final regulations and any guidance promulgated thereunder or any state law equivalent.

(j) **Termination Date.** "***Termination Date***" means the date on which Employee's employment with the Company (or any successor) terminates for any reason. For purposes of the payment of severance payments and benefits pursuant to Section 6 hereof, the Termination Date shall also be required to constitute a "separation of service" from the Company (or any successor) within the meaning of Section 409A.

11. **Confidentiality Agreement**. Employee's acceptance of this offer and Employee's Employment with the Company is contingent upon the execution, and delivery to an officer of the Company, of the Company's Employee Nondisclosure, Non-Solicitation, Confidentiality and Developments Agreement, a copy of which is attached hereto as Attachment A for Employee's review and execution (the "***Confidentiality Agreement***"), prior to or on the Effective Date.

12. **Pre-Employment Conditions**.

(a) **Right to Work**. For purposes of federal immigration law, Employee will be required, if Employee has not already, to provide to the Company documentary evidence of Employee's identity and eligibility for employment in the United States. Such documentation must be provided to the Company within three (3) business days of the Effective Date, or our Employment relationship with Employee may be terminated.

(b) **Verification of Information**. This Agreement is also contingent upon the successful verification of the information Employee provided to the Company during Employee's application process, as well as a general background check performed by the Company to confirm Employee's suitability for Employment. By accepting this Agreement, Employee warrants that all information provided by Employee is true and correct to the best of Employee's knowledge, Employee agrees to execute any and all documentation necessary for the Company to conduct a background check and Employee expressly releases the Company from any claim or cause of action arising out of the Company's verification of such information.

13. **Arbitration**. To the fullest extent permitted by applicable law, Employee and the Company agree that any and all disputes, demands, claims, or controversies ("***claims***") relating to, arising from or regarding Employee's employment, including claims by the Company, claims against the Company, and claims against any current or former parent, affiliate, subsidiary, successor or predecessor of the Company, and each of the Company's and these entities' respective officers, directors, agents or employees, shall be resolved by final and binding arbitration before a single arbitrator in Missoula County, Montana (or another mutually agreeable location). This does not prevent either Employee or the Company from seeking and obtaining temporary or preliminary injunctive relief in court to prevent irreparable harm to Employee's or its confidential information or trade secrets pending the conclusion of any arbitration. This arbitration agreement does not apply to any claims that have been expressly excluded from arbitration by a governing law not preempted by the Federal Arbitration Act and does not restrict or preclude Employee from communicating with, filing an administrative charge or claim with, or providing testimony to any governmental entity about any actual or potential violation of law or obtaining relief through a government agency process. The parties hereto agree that claims shall be resolved on an individual basis only, and not on a class, collective, or representative basis on behalf of other employees to the fullest extent permitted by applicable law ("***Class Waiver***"). Any claim that all or part of the Class Waiver is invalid, unenforceable, or unconscionable may be determined only by a court. In no case may class, collective or representative claims proceed in arbitration on behalf of other employees.

The parties agree that the arbitration shall be conducted by a single neutral arbitrator through JAMS in accordance with JAMS Employment Arbitration Rules and Procedures (available at www.jamsadr.com/rules-employment-arbitration). Except as to the Class Waiver, the arbitrator shall determine arbitrability. The Company will bear all JAMS arbitration fees and administrative costs in excess of the amount of administrative fees and costs that Employee otherwise would have been required to pay if the claims were litigated in court. The arbitrator shall apply the applicable substantive law in deciding the claims at issue. Claims will be governed by their applicable statute of limitations and failure to demand arbitration within the prescribed time period shall bar the claims as provided by law. The decision or award of the arbitrator shall be final and binding upon the parties. This arbitration agreement is enforceable under and governed by the Federal Arbitration Act. In the event that any portion of this arbitration agreement is held to be invalid or unenforceable, any such provision shall be severed, and the remainder of this arbitration agreement will be given full force and effect. By signing this Agreement, Employee acknowledges and agrees that Employee has read this arbitration agreement carefully, are bound by it and are WAIVING ANY RIGHT TO HAVE A TRIAL BEFORE A COURT OR JURY OF ANY AND ALL CLAIMS SUBJECT TO ARBITRATION UNDER THIS ARBITRATION AGREEMENT.

14. **Miscellaneous Provisions**.

(a) **Successors**.

(i) **Company's Successors**. This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. For all purposes under this Agreement, the term "***Company***" shall include any successor to the Company's business or assets that become bound by this Agreement or any affiliate of any such successor that employs Employee.

(ii) **Employee's Successors**. This Agreement and all of Employee's rights hereunder shall inure to the benefit of, and be enforceable by, Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

(b) **Indemnification**. The Company shall indemnify Employee to the maximum extent permitted by applicable law and the Company's Bylaws with respect to Employee's service and Employee shall also be covered under a directors and officers liability insurance policy paid for by the Company to the extent that the Company maintains such a liability insurance policy now or in the future. Employee agrees to indemnify and save the Company and its affiliates harmless from any damages, which the Company may sustain in any manner primarily through Employee's willful misconduct or gross negligence or a material breach of the provisions of this Agreement.

(c) **Headings**. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(d) **Notice**.

(i) **General**. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In Employee's case, mailed notices shall be addressed to Employee at the home address that Employee most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

(ii) **Notice of Termination**. Any termination by the Company for Cause or by Employee for Good Reason will be communicated by a notice of termination to the other party hereto given in accordance with Section 14(d)(i) of this Agreement. Such notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and

circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date (which will be not more than thirty (30) days after the giving of such notice), subject to any applicable cure period. The failure by the Company or the Employee to include in the notice any fact or circumstance which contributes to a showing of Cause or Good Reason, as applicable, will not waive any right of the Company or Employee, as applicable, hereunder or preclude the Company or Employee, as applicable, from asserting such fact or circumstance in enforcing its or his or her rights hereunder, as applicable.

(e) **Modifications and Waivers**. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Employee and by an authorized officer of the Company (other than Employee). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(f) **Whole Agreement**. No other agreements, representations or understandings (whether oral or written and whether express or implied) that are not expressly set forth in this Agreement have been made or entered into by either party with respect to the subject matter hereof. This Agreement and the Confidentiality Agreement contain the entire understanding of the parties with respect to the subject matter hereof.

(g) **Withholding Taxes**. All payments made under this Agreement shall be subject to reduction to reflect taxes or other deductions required to be withheld by law.

(h) **Choice of Law and Severability**. Except as otherwise provided in the arbitration agreement in Section 13, this Agreement shall be interpreted in accordance with the laws of the State of [•], without giving effect to provisions governing the choice of law. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is rendered illegal by any present or future statute, law, ordinance or regulation (collectively, the "***Law***") then that provision shall be curtailed or limited only to the minimum extent necessary to bring the provision into compliance with the Law. All the other terms and provisions of this Agreement shall continue in full force and effect without impairment or limitation.

(i) **No Assignment**. This Agreement and all of Employee's rights and obligations hereunder are personal to Employee and may not be transferred or assigned by Employee at any time. The Company may assign its rights under this Agreement to any entity that assumes the Company's obligations hereunder in connection with any sale or transfer to such entity of all or a substantial portion of the Company's assets.

(j) **Acknowledgment**. Employee acknowledges that Employee has had the opportunity to discuss this matter with and obtain advice from Employee's personal attorney, has had sufficient time to, and has carefully read and fully understood all the provisions of this Agreement, and is knowingly and voluntarily entering into this Agreement.

(k) **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Execution via DocuSign or a similar service, or of a facsimile copy or scanned image will have the same force and effect as execution of an original, and an electronic or facsimile signature or scanned image of a signature will be deemed an original and valid signature.

(l) **Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents or notices related to this letter, securities of the Company or any of its affiliates or any other matter, including documents and/or notices required to be delivered to Employee by applicable securities law or any other law or the Company's Certificate of Incorporation or Bylaws, by email or any other electronic means. Employee hereby consents to (i) conduct business electronically, (ii) receive such documents and notices by such electronic delivery, and (iii) sign documents electronically and participate through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

[Signature Page Follows]

After you have had an opportunity to review this Agreement, please feel free to contact me if you have any questions or comments. To indicate your acceptance of this Agreement, please sign and date this letter in the space provided below and return it to the Company. In the event the Mergers are not consummated, this Agreement shall be null and void *ab initio* and of no further force or effect.

Very truly yours,

LOCAL BOUNTI CORPORATION

By: _____
(Signature)

Name: _____

Title: _____

ACCEPTED AND AGREED:

[EMPLOYEE NAME]

_____
(Signature)

_____
Date

Attachment A: Employee Nondisclosure, Non-Solicitation, Confidentiality and Developments Agreement

ANNEX I

PERMITTED ACTIVITIES

(See Attached)

ATTACHMENT A

EMPLOYEE NONDISCLOSURE, NON-SOLICITATION, CONFIDENTIALITY AND DEVELOPMENTS AGREEMENT

(See Attached)

EMPLOYEE NONDISCLOSURE, NON-SOLICITATION, CONFIDENTIALITY AND DEVELOPMENTS AGREEMENT

[Date]

In consideration of and as a condition of my employment by Local Bounti Corporation, a Delaware corporation, or any other member of the Company Group (as defined below) (the "***Company***"), and for other good and valuable consideration the receipt of which I hereby acknowledge, I, the undersigned, hereby enter into this Employee Nondisclosure, Non-Solicitation, Confidentiality and Developments Agreement (this "***Agreement***") with the Company, to be effective as of immediately after the Closing of the Mergers (as those terms are defined in certain Agreement and Plan of Merger by and among Leo Holdings III Corp., Longleaf Merger Sub, Inc., Longleaf Merger Sub II, LLC and Local Bounti Corporation dated as of June 17, 2021) (such date, the "***Effective Date***"):

1. **NON-SOLICITATION OF CUSTOMERS**. During the Restricted Period (as defined below), I will not, directly or indirectly, alone or as a partner, officer, director, employee, consultant, independent contractor, agent or stockholder of any entity:

(a) solicit, take away or attempt to take away, divert or attempt to divert, or assist any other company or business organization to solicit, take away or attempt to take away, divert or attempt to divert any entity which is a customer, licensee, supplier, vendor, distributor, dealer or manufacturer of the Company or any of its subsidiaries, parents or affiliates, or their respective predecessors, successors and assigns (the Company, together with its subsidiaries, parents and affiliates and their respective predecessors, successors and assigns, the "***Company Group***") at the time of my termination of employment from the Company;

(b) solicit, take away or attempt to take away, divert or attempt to divert or assist any other company or business organization to solicit take away or attempt to take away, divert or attempt to divert any entity which was a customer, licensee, supplier, vendor, distributor, dealer or manufacturer of the Company Group at any time within six months prior to my termination of employment from the Company ("***Restricted Entity***"), *provided*, *however*, that this provision shall only be applicable to the extent that I knew or should have known of the Company Group's relationship with such Restricted Entity based on information available to me at the time of termination of my employment;

(c) solicit, take away or attempt to take away, divert or attempt to divert or assist any other company or business organization to solicit, take away or attempt to take away, divert or attempt to divert any entity which is a Prospective (as defined below) customer, licensee, supplier, vendor, distributor, dealer or manufacturer of the Company Group at the time of my termination of employment from the Company ("***Restricted Prospective Entity***"), *provided*, *however*, that this provision shall only be applicable to the extent that I knew or should have known of the Company Group's relationship with such Restricted Prospective Entity based on information available to me at the time of termination of my employment; or

(d) interfere with or disrupt or assist any other company or business organization to interfere with or disrupt any existing relationships between the Company Group and an entity which is a customer, licensee, supplier, vendor, distributor, dealer or manufacturer of the Company Group at the time of my termination of employment from the Company.

(e) For the purpose of this Agreement, the term "***Restricted Period***" will mean the term of my employment with the Company Group and a period of twelve (12) months after the termination thereof (for any reason whatsoever).

(f) For the purpose of Section 1(c), the term "***Prospective***" will mean those customers, licensees, suppliers, vendors, distributors, dealers or manufacturers to whom a formal pricing proposal has been made by the Company Group within the twelve (12) months preceding the termination of my employment.

2. **NON-SOLICITATION/NON-HIRE OF EMPLOYEES**. During the Restricted Period, I will not, directly or indirectly, (a) employ; (b) knowingly permit any company or business organization which is directly or indirectly controlled by me to employ; (c) recruit or attempt to recruit, solicit or attempt to solicit, attempt to hire, interfere with or endeavor to entice away; or (d) assist any entity, company or business organization to recruit or attempt to recruit, solicit or attempt to solicit, attempt to hire, interfere with or endeavor to entice away any person who is or was employed by the Company Group or is or was an agent, representative or consultant of the Company Group within the year prior to the termination of my employment with the Company Group. Notwithstanding the foregoing, a general solicitation not targeted at any person who is or was employed by the Company Group shall not be a violation of this Section 2, but hiring of any such person who responds to such general solicitation shall be a violation.

3. **NON-COMPETITION**. During the Restricted Period, I shall not directly or indirectly, individually or on behalf of any other person or entity, engage in any commercial activity that directly competes with the Company Group, or take an interest in any business (as an owner, stockholder, partner or lender) that directly competes with the Company Group; nor will I take any position (as an employee, consultant, agent or otherwise) with any entity that directly competes with the Company Group. Subject to the terms of this Agreement, I may make passive investments in any enterprise, the shares of which are publicly traded, if such investment constitutes less than one percent (1%) of the equity of such enterprise.

4. **NON-DISPARAGEMENT**. I will not at any time, whether during or after the termination of my employment (for any reason whatsoever), make any disparaging or defamatory comments regarding the Company Group or its respective current or former directors, officers, employees or shareholders in any respect or make any comments concerning any aspect of my relationship with any member of the Company Group or any conduct or events which precipitated any termination of my employment from the Company Group. However, the parties' obligations under this Section 4 shall not apply to disclosures required by applicable law, regulation, or order of a court or governmental agency.

5. **NONDISCLOSURE OBLIGATION**.

(a) I will not at any time, whether during or after the termination of my employment (for any reason whatsoever), reveal to any person or entity any trade secrets or Confidential Information (as defined below) of the Company Group or any trade secrets or Confidential Information of any third parties which the Company Group is under an obligation to keep confidential, except to employees of the Company Group who need to know such information for the purposes of their employment, or as otherwise authorized by the Company in writing or as otherwise required to be disclosed by applicable law. For the purpose of this Agreement, "***Confidential Information***" includes, but is not limited to, (i) research and development activities, product designs, prototypes and technical specifications, show how and know how, marketing plans and strategies, pricing and costing policies, customer and suppliers lists and accounts, nonpublic financial information, systems, processes, software programs, works of authorship, inventions, projects, plans and proposals and (ii) any business information provided to the Company by its subscribers or other third parties, including but not limited to information relating to subscribers' customers and any protected health information (PHI) and/or personally identifiable information (PII) as defined by applicable laws and regulations such as the Health Insurance Portability and Accountability Act as well as other applicable privacy laws or regulations. I will keep secret all matters entrusted to me and will not use or attempt to use any Confidential Information except as may be required in the ordinary course of performing my duties as an employee of the Company Group, nor will I use any Confidential Information in any manner

which may injure or cause loss or may be calculated to injure or cause loss to the Company Group, whether directly or indirectly, except that nothing in this Agreement shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order. To the extent legally permissible, you shall promptly provide reasonable advance written notice of any such order to an authorized officer of the Company. Without limiting the generality of the foregoing: (A) nothing in this Agreement prohibits or restricts you (or your attorney) from communicating with the Securities and Exchange Commission, the Financial Industry Regulatory Authority, or any other applicable regulatory authority regarding a possible securities law violation; and (B) nothing in this Agreement prohibits or restricts you from exercising protected rights, including without limitation those rights granted under Section 7 of the National Labor Relations Act, or otherwise disclosing information as permitted by applicable law, regulation, or order.

(b) Third Party Information. My agreements in this Section 5 are intended to be for the benefit of the Company Group and any third party that has entrusted information or physical material to the Company Group in confidence. In addition, I will not at any time improperly use or disclose to the Company Group any confidential, proprietary or secret information of my former employer(s) or any other person, and I will not bring any such information onto the Company Group's property or place of business.

(c) U.S. Defend Trade Secrets Act. I acknowledge that the U.S. Defend Trade Secrets Act of 2016 ("***DTSA***") provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (iii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, the DTSA provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

6. **COMPANY DOCUMENTATION**. Furthermore, I agree that during my employment I will not make, use or permit to be used any Company Group documentation otherwise than for the benefit of the Company Group. Company Group documentation includes, but is not limited to, notes memoranda, reports, lists, records, drawings, sketches, specifications, software programs, data documentation or other materials of any nature and in any form, whether written, printed or in digital format or otherwise relating to any matter within the scope of the business of the Company Group or concerning any of its dealings or affairs. While Company Group documentation does include specific materials bearing the Company Group's brand, Company Group documentation does not include basic document, graphical and explanatory designs that I brought to the Company Group from previous experience and employment. I further agree that I will not, after the termination of my employment, use or permit others to use any such Company Group documentation, it being agreed that all Company Group documentation will be and remain the sole and exclusive property of the Company Group. Immediately upon the termination of my employment I will deliver all Company Group documentation in my possession, and all copies thereof, to the Company Group, at its main office.

7. **ASSIGNMENT OF INVENTIONS**.

(a) Developments Retained and Licensed. I have attached hereto, as Schedule A, a list describing with particularity all developments, original works of authorship, improvements, and trade secrets that I can demonstrate were created or owned by me prior to the commencement of my employment (collectively referred to as "***Prior Developments***"), which belong solely to me or belong to me jointly with another, that relate in any way to any of the actual or proposed businesses, products, or research and development of any member of the Company Group, and that are not assigned to the Company hereunder, or if no such list is attached, I represent that there are no such Prior Developments. If, during any period during which I perform or performed services for any member of the Company Group both before or after the date hereof (the "***Assignment Period***"), whether as an officer, employee, director, independent contractor, consultant, or agent, or in any other capacity, I incorporate (or have incorporated) into any member of the Company Group's product or process a Prior Development owned by me or in which I have an interest, I hereby grant each member of the Company Group, and each member of the Company Group shall have, a non-exclusive, royalty-free, irrevocable, perpetual, transferable worldwide license (with the right to sublicense) to make, have made, copy, modify, make derivative works of, use, sell, and otherwise distribute such Prior Development as part of or in connection with such product or process.

(b) Assignment of Developments. I agree that I will, without additional compensation, promptly make full written disclosure to the Company, and will hold in trust for the sole right and benefit of the Company all developments, original works of authorship, inventions, concepts, know-how, improvements, trade secrets, and similar proprietary rights, whether or not patentable or registrable under copyright or similar laws, which I may solely or jointly conceive or develop or reduce to practice, or have solely or jointly conceived or developed or reduced to practice, or have caused or may cause to be conceived or developed or reduced to practice, during the Assignment Period, whether or not during regular working hours, provided they either (i) relate at the time of conception, development or reduction to practice to the business of any member of the Company Group, or the actual or anticipated research or development of any member of the Company Group; (ii) result from or relate to any work performed for any member of the Company Group; or (iii) are developed through the use of equipment, supplies, or facilities of any member of the Company Group, or any Confidential Information, or in consultation with personnel of any member of the Company Group (collectively referred to as "***Developments***"). I further acknowledge that all Developments made by me (solely or jointly with others) within the scope of and during the Assignment Period are "works made for hire" (to the greatest extent permitted by applicable law) for which I am, in part, compensated by my salary, unless regulated otherwise by law, but that, in the event any such Development is deemed not to be a work made for hire, I hereby assign to the Company, or its designee, all my right, title, and interest throughout the world in and to any such Development. If any Developments cannot be assigned, I hereby grant to each member of the Company Group an exclusive, assignable, irrevocable, perpetual, worldwide, sublicenseable (through one or multiple tiers), royalty-free, unlimited license to use, make, modify, sell, offer for sale, reproduce, distribute, create derivative works of, publicly perform, publicly display and digitally perform and display such work in any media now known or hereafter known. Outside the scope of my service, whether during or after my employment with any member of the Company Group, I agree not to (x) modify, adapt, alter, translate, or create derivative works from any such work of authorship or (y) merge any such work of authorship with other Developments. To the extent rights related to paternity, integrity, disclosure and withdrawal (collectively, "***Moral Rights***") may not be assignable under applicable law and to the extent the following is allowed by the laws in the various countries where Moral Rights exist, I hereby irrevocably waive such Moral Rights and consent to any action of any member of the Company Group that would violate such Moral Rights in the absence of such consent.

(c) Maintenance of Records. I agree to keep and maintain adequate and current written records of all Developments made by me (solely or jointly with others) during the Assignment Period. The records may be in the form of notes, sketches, drawings, flow charts, electronic data or recordings, and any other format. The records will be available to and remain the sole property of any member of the Company Group at all times. I agree not to remove such records from the Company's place of business except as expressly permitted by Company Group policy, which may, from time to time, be revised at the sole election of such member of the Company Group for the purpose of furthering the business of such member of the Company Group.

(d) Intellectual Property Rights. I agree to assist the Company, or its designee, at the Company's expense, in every reasonable way to secure the rights of each member of the Company Group in the Developments and any copyrights, patents, trademarks, service marks, database rights, domain names, mask work rights, moral rights, and other intellectual property rights relating thereto in any and all countries, including the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments, recordations, and all other instruments that the Company shall reasonably deem necessary in order to apply for, obtain, maintain, and transfer such rights and in order to assign and convey to each member of the Company Group the sole and exclusive right, title, and interest in and to such Developments, and any intellectual property and other proprietary rights relating thereto. I further agree that my obligation to execute or cause to be executed, when it is in my power to do so, any such instrument or papers shall continue after the Assignment Period until the expiration of the last such intellectual property right to expire in any country of the world; *provided*, *however*, the Company shall reimburse me for my reasonable expenses incurred in connection with carrying out the foregoing obligation. If the Company is unable because of my mental or physical incapacity or unavailability for any other reason to secure my signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering Developments or original works of authorship assigned to the Company as above, then I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney in fact to act for and in my behalf and stead to execute and file any such applications or records and to do all other lawfully permitted acts to further the application for, prosecution, issuance, maintenance, and transfer of letters patent or registrations thereon with the same legal force and effect as if originally executed by me. I hereby waive and irrevocably quitclaim to the Company any and all claims, of any nature whatsoever, that I now or hereafter have for past, present, or future infringement of any and all proprietary rights assigned to the Company.

(e) Exception to Assignments. Subject to the requirements of applicable state law, if any, I understand that the Developments will not include, and the provisions of this Agreement requiring assignment of inventions to the Company do not apply to, any invention that qualifies fully for exclusion under the provisions of applicable state law, if any.

8. **ACKNOWLEDGEMENTS**. I acknowledge and recognize that the terms and provisions of this Agreement are not intended to restrict me in the exercise of my skills or the use of knowledge or information that does not rise to the level of Confidential Information set forth above. I acknowledge and agree that the purpose of this Agreement is (and that such agreement is necessary) to prevent me from unfairly taking advantage of the contacts I established while with the Company Group and the Confidential Information, and to protect the Company's investment in and good will of its business (which I acknowledge are legitimate business interests of the Company). I acknowledge the reasonableness of this Agreement and its respective limitations, given my position with the Company Group, and the Company's business, and I agree to strictly abide by the terms hereof.

9. **NOTICE TO THIRD PARTIES**. After the termination of my employment with the Company Group (for whatever reason) and during the Restricted Period, I shall inform any entity or person with whom I may seek to enter into a business relationship (whether as an owner, employee, independent contractor or otherwise) of my contractual obligations under this Agreement. I acknowledge that the Company may, with or without prior notice to me, notify third parties of my agreements and obligations under this Agreement. Upon written request by the Company, I will respond to the Company in writing regarding the status of my employment or proposed employment with any party during the Restriction Period.

10. **REMEDIES UPON BREACH**. I agree that any breach of this Agreement by me will cause irreparable damage to the Company and that in the event of such breach the Company will have, in addition to any and all remedies of law, the right to an injunction, specific performance or other equitable relief to prevent the violation of my obligations hereunder.

11. **ABSENCE OF CONFLICTING AGREEMENTS**. I understand that the Company Group does not desire to acquire from me any trade secrets, know how or confidential business information that I may have acquired from others. I represent that I will not use such information in the performance of my duties for the Company Group. I also represent that I am not bound by any agreement or any other existing or previous business relationship that conflicts with or prevents the full performance of my duties and obligations to the Company Group during the course of employment.

12. **NO OBLIGATION TO CONTINUE EMPLOYMENT**. I understand that this Agreement does not create an obligation on the Company Group or any other person or entity to continue my employment.

13. **MISCELLANEOUS**. Any amendment to or modification of this Agreement, or any waiver of any provision hereof, will require the mutual agreement of the Company and me, in writing and signed by the Company and by me. Any waiver by the Company of a breach of any provision of this Agreement will not operate or be construed as a waiver of any subsequent breach of such provision or any other provision hereof. The captions of this Agreement are for reference only and do not define, limit or affect the scope of any section of this Agreement. My obligations under this Agreement will survive the termination of my employment regardless of the manner of such termination and will be binding upon my heirs, executors, administrators and legal representatives. The Company will have the right to assign this Agreement to its successors and assigns, and all covenants and agreements hereunder will inure to the benefit of and be enforceable by said successors or assigns. This Agreement will be governed by and construed in accordance with the internal laws of the State of [•], without giving effect to the principles of conflicts of laws thereof. I agree that the federal and state courts sitting in the State of [•] will have exclusive venue over any dispute or litigation arising out of the subject matter hereof.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as a sealed instrument as of the dates indicated below, to be effective as of the Effective Date.

LOCAL BOUNTI CORPORATION

Date: _____

Signature: _____

Name: _____

Title: _____

[Signature Page to Employee Nondisclosure, Non-solicitation,
Confidentiality and Developments Agreement]

Date: _____ Signature: _____

Name: _____

[Signature Page to Employee Nondisclosure, Non-solicitation,
Confidentiality and Developments Agreement]

EMPLOYEE NONDISCLOSURE, NON-SOLICITATION, CONFIDENTIALITY AND DEVELOPMENTS AGREEMENT

SCHEDULE A

LIST OF PRIOR DEVELOPMENTS AND ORIGINAL WORKS OF AUTHORSHIP EXCLUDED FROM SECTION 7

The following is a list of (i) all Developments that, as of the Effective Date: (A) have been created by me or on my behalf, and/or (B) are owned exclusively by me or jointly by me with others or in which I have an interest, and that relate in any way to any of the Company Group's actual or proposed businesses, products, services, or research and development, and which are not assigned to the Company Group hereunder and (ii) all agreements, if any, with a current or former client, employer, or any other person or entity, that may restrict my ability to accept employment with the Company Group or my ability to recruit or engage customers or service providers on behalf of the Company Group, or otherwise relate to or restrict my ability to perform my duties for the Company Group or any obligation I may have to the Company Group:

Title	Date	Identifying Number or Brief Description

Except as indicated above on this Schedule, I have no inventions, improvements, original works or other Prior Developments to disclose pursuant to Section 7 of this Agreement.

__Additional sheets attached

Signature of Employee:_____

Print Name of Employee:_____

DATE: _____

Exhibit 10.10

Type B Template

LOCAL BOUNTI CORPORATION

490 Foley Lane, Hamilton, MT 59840

[Date]

[Employee Name]

Re: **EMPLOYMENT AGREEMENT**

Dear [Name]:

This Employment Agreement (the "***Agreement***") between you (referred to hereinafter as the "***Employee***" or "***you***") and Local Bounti Corporation, a Delaware corporation (the "***Company***"), sets forth the terms and conditions that shall govern the period of Employee's employment with the Company and its affiliates (referred to hereinafter as "***Employment***" or the "***Employment Period***") effective as of immediately after the Closing of the Mergers (as those terms are defined in the Merger Agreement (as defined below)) (the "***Effective Date***").

1. **Duties and Scope of Employment**

(a) **At-Will Employment**. Employee's Employment with the Company is for no specified period and constitutes "at will" employment. Except as otherwise set forth herein, Employee is free to terminate Employment at any time, with or without advance notice, and for any reason or for no reason. Similarly, the Company is free to terminate Employee's Employment at any time, with or without advance notice, and with or without Cause (as defined below). Furthermore, although terms and conditions of Employee's Employment with the Company may change over time, nothing shall change the at-will nature of Employee's Employment. This Section 1(a) shall be limited to the extent required under applicable law.

(b) **Position and Responsibilities**. During the Employment Period, the Company agrees to employ Employee in the position of [Title]. Employee will report to the Company's Chief Executive Officer(s) or to such other Person as the Company subsequently may determine (Employee's "***Supervisor***"). Employee will perform the duties and have the responsibilities and authority customarily performed and held by an employee in Employee's position or as otherwise may be assigned or delegated to Employee by Employee's Supervisor.

(c) **Obligations to the Company**. During the Employment Period, Employee shall perform Employee's duties faithfully and to the best of Employee's ability and will devote Employee's full business efforts and time to the Company. During the Employment Period, without the prior written approval of the Chief Executive Officer(s) of the Company, Employee shall not render services in any capacity to any other Person and shall not act as a sole proprietor or partner of any other Person or own more than five percent (5%) of the ownership interests in any other entity. Notwithstanding the foregoing, Employee may serve on civic or charitable boards or committees, deliver lectures, fulfill speaking engagements, teach at educational institutions, or manage personal investments with advance written consent of the Chief Executive Officer(s) of the Company; provided that such activities do not individually or in the aggregate interfere with the performance of Employee's duties under this Agreement or create a potential business or fiduciary conflict. Employee shall comply with the Company's policies and rules, as they may be in effect from time to time during Employee's Employment.

(d) **Business Opportunities**. During Employee's Employment, Employee shall promptly disclose to the Company each business opportunity of a type, which based upon its prospects and relationship to the business of the Company or its affiliates, the Company might reasonably consider pursuing. In the event that Employee's Employment is terminated for any reason, the Company or its affiliates shall have the exclusive right to participate in or undertake any such opportunity on their own behalf without any involvement by or compensation to Employee under this Agreement.

(e) **No Conflicting Obligations**. Employee represents and warrants to the Company that Employee is under no obligations or commitments, whether contractual or otherwise, that are inconsistent with Employee's obligations under this Agreement or that would otherwise prohibit Employee from performing Employee's duties with the Company. In connection with Employee's Employment, Employee shall not use or disclose any trade secrets or other proprietary information or intellectual property in which Employee or any other Person has any right, title or interest and Employee's Employment will not infringe or violate the rights of any other Person. Employee represents and warrants to the Company that prior to the Effective Date, Employee shall have returned all property and confidential information belonging to any prior employer.

2. **Base Salary**. The Company shall pay Employee, as compensation for Employee's services, a base salary at a gross annual rate of $[_____], less all required tax withholdings and other applicable deductions, in accordance with the Company's standard payroll procedures. The annual compensation specified in this Section 2, together with any modifications in such compensation that the Company may make from time to time, is referred to in this Agreement as the "***Base Salary***." Employee's Base Salary will be subject to review and adjustments that will be made based upon the Company's normal performance review practices. Effective as of the date of any change to Employee's Base Salary, the Base Salary as so changed shall be considered the new Base Salary for all purposes of this Agreement.

3. **Employee Benefits**. During the Employment Period, Employee shall be eligible to (a) participate in the paid time off program of the Company, as it may be amended from time to time and (b) participate in the employee benefit plans maintained by the Company and generally available to similarly situated employees of the Company, subject in each case to the generally applicable terms and conditions of the plan or policy in question and to the determinations of any Person or committee administering such employee benefit plan or policy. The Company reserves the right to cancel or change the employee benefit plans, policies and programs it offers to its employees at any time.

4. **Business Expenses**. The Company will reimburse Employee for necessary and reasonable business expenses incurred in connection with Employee's duties hereunder upon presentation of an itemized account and appropriate supporting documentation, all in accordance with the Company's generally applicable policies.

5. **Rights Upon Termination**. Except as expressly provided in Section 6, upon the termination of Employee's Employment, Employee shall only be entitled to (a) any accrued but unpaid Base Salary, (b) all other benefits earned and expenses to be reimbursed as described in this Agreement or under any Company-provided plans, policies, and arrangements for the period preceding the Termination Date, each in accordance with the governing documents and policies of any such benefits, reimbursements, plans and arrangements, (c) any payments of or with respect to equity awards of the Company (or any affiliate) in accordance with the terms of such awards, and (d) such other compensation or benefits from the Company as may be required by law (collectively, the "***Accrued Benefits***"). All Accrued Benefits shall be paid in accordance with applicable law and the terms of the applicable plan, program or agreement (if any) governing such payment or benefit.

6. **Termination Benefits**.

(a) **Involuntary Termination Not in Connection with a Change in Control**. If Employee's Termination Date (as defined below) occurs (i) due to termination by the Company for a reason other than Cause, Employee becoming Disabled or Employee's death, or (ii) due to resignation by Employee on account of Good Reason (as defined below) (each, an "***Involuntary Termination***"), in any case at any time other than at or during the twelve (12)-month period immediately following a Change in Control (as defined in the 2021 Plan), then, subject to Section 7 (other than with respect to the Accrued Benefits), Employee will be entitled to the following:

(i) **Accrued Benefits**. The Company will pay Employee all Accrued Benefits.

(ii) **Severance Payment**. Employee will receive continuing payments of severance pay at a rate equal to Employee's Base Salary as in effect immediately prior to the Termination Date (without any reduction therein that constitutes Good Reason), for a period of 6 months from Employee's Termination Date, less all required tax withholdings and other applicable deductions, which will be paid in accordance with the Company's regular payroll procedures. Payments pursuant to this Section 6(a)(ii) shall commence on the Release Deadline (as defined in Section 7(a)) provided that the first payment shall include any amounts that would have been paid to Employee if payment had commenced on Employee's Termination Date.

(iii) **Continued Employee Benefits**. If Employee elects continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***"), for Employee and/or Employee's eligible dependents, within the time period prescribed pursuant to COBRA, the Company will reimburse Employee for the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Employee's Termination Date) until the earlier of (A) a period of 6 months from the Termination Date, or (B) the date upon which Employee and/or Employee's eligible dependents become covered under similar plans. Notwithstanding the foregoing, if the Company is not subject to the requirements of COBRA, the COBRA reimbursements described in this Section 6(a)(iii) will be made to Employee as if Employee had been entitled to and elected COBRA coverage within the applicable time period. COBRA reimbursements will be made by the Company to Employee consistent with the Company's normal expense reimbursement policy and will be taxable to the extent required to avoid adverse consequences to Employee or the Company under either Section 105(h) of the Code or the Patient Protection and Affordable Care Act of 2010 (the "***ACA***").

(iv) **Equity**. If the Employee's termination date is at least twelve (12) months following the Employee's start date with the Company, all of Employee's unvested and outstanding equity awards that would have become vested had Employee remained in the employ of the Company for the 12-month period following Employee's termination of employment shall immediately vest and become exercisable as of the date of Employee's termination.

(b) **Involuntary Termination in Connection with a Change in Control**. If during the twelve (12)-month period beginning on a Change in Control (excluding, for avoidance of doubt, the transactions contemplated by the Merger Agreement), an Involuntary Termination of Employee's Employment occurs, then, subject to Section 7 (other than with respect to the Accrued Benefits), Employee will be entitled to the following (in lieu of the payments and benefits described in Section 6(a) above):

(i) **Accrued Benefits**. The Company will pay Employee all Accrued Benefits.

(ii) **Severance Payment**. Employee will receive a lump sum severance payment equal to 1.5 times Employee's Base Salary as in effect immediately prior to the Termination Date (without any reduction therein that constitutes Good Reason), less all required tax withholdings and other applicable deductions, which lump sum payment will be paid on the Release Deadline.

(iii) **Continued Employee Benefits**. If Employee elects continuation coverage pursuant to COBRA, for Employee and/or Employee's eligible dependents, within the time period prescribed pursuant to COBRA, the Company will reimburse Employee for the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Employee's Termination Date) until the earlier of (A) a period of 18 months from the Termination Date, or (B) the date upon which Employee and/or Employee's eligible dependents become covered under similar plans. Notwithstanding the foregoing, if the Company is not subject to the requirements of COBRA, the COBRA reimbursements described in this Section 6(b)(iii) will be made to Employee as if Employee had been entitled to and elected COBRA coverage within the applicable time period. COBRA reimbursements will be made by the Company to Employee consistent with the Company's normal expense reimbursement policy and will be taxable to the extent required to avoid adverse consequences to Employee or the Company under either Section 105(h) of the Code or the ACA.

(iv) **Equity**. If the Employee's termination date is at least twelve (12) months following the Employee's start date with the Company, all of Employee's unvested and outstanding equity awards that would have become vested had Employee remained in the employ of the Company following Employee's termination of employment shall immediately vest and become exercisable as of the date of Employee's termination.

(c) **Disability; Death; Voluntary Resignation; Termination for Cause**. If Employee's Termination Date occurs due to (A) Employee becoming Disabled or Employee's death, (B) Employee's voluntary resignation other than for Good Reason, or (C) the Company's termination of Employee's employment with the Company for Cause, then Employee or Employee's estate (as the case may be) will receive the Accrued Benefits, but will not be entitled to any other compensation or benefits from the Company.

(d) **Exclusive Remedy**. In the event of the termination of Employee's Employment with the Company (or any affiliate or successor), the severance payments and benefits set forth in this Section 6 are intended to be and are exclusive and in lieu of any other rights or remedies to which Employee may otherwise be entitled, whether at law, tort or contract, in equity, or under this Agreement other than the Accrued Benefits.

(e) **No Duty to Mitigate**. Employee will not be required to mitigate the amount of any payment or benefit contemplated by this Agreement, nor will any earnings that Employee may receive from any other source reduce any such payment or benefit.

7. **Conditions to Receipt of Termination Benefits**.

(a) **Release of Claims Agreement**. The receipt of any severance payments or benefits pursuant to Section 6 of this Agreement (other than Accrued Benefits) is subject to Employee signing and not revoking a separation agreement and release of claims in a form acceptable to the Company (the "***Release***"), which must become effective no later than the sixtieth (60th) day following Employee's Termination Date (the "***Release Deadline***"). If the Release is not effective by the Release Deadline, Employee will forfeit any right to severance payments or benefits under Section 6 of this Agreement (other than Accrued Benefits). Subject to the foregoing, to become effective, the Release must be executed by Employee (or Employee's representative in the event of Employee's death or Disability following the Termination Date) and any revocation periods (as required by statute, regulation, or otherwise) must have expired without Employee (or Employee's representative, if applicable) having revoked the Release.

Without regard to any special timing provisions set forth in Section 6 of this Agreement, any severance payments or benefits under Section 6 (other than Accrued Benefits) that are Deferred Payments (as defined in Section 8(a)) will be paid or commence on the first payroll date following the date on which the Release becomes effective unless the Release Deadline would have occurred in a subsequent calendar year to the date on which the Release becomes effective, in which case the severance payments and benefits that are Deferred Payments shall be paid or commence on the first payroll period of the calendar year following the calendar year in which the Termination Date occurs. For the avoidance of doubt, Accrued Benefits are not subject to the provisions of this Section 7(a).

(b) **Confidential Information Agreement**. Employee's receipt of any severance payments or benefits under Section 6 will be subject to Employee continuing to comply with the terms of the Confidentiality Agreement (as defined in Section 11 below).

8. **Section 409A**.

(a) Notwithstanding anything to the contrary in this Agreement, no severance payment or benefit to be paid or provided to Employee, if any, pursuant to this Agreement that, when considered together with any other severance payments or separation benefits, are considered deferred compensation not exempt under Section 409A (as defined below) (each, a "***Deferred Payment***") will be paid or otherwise provided until Employee has a "separation from service" within the meaning of Section 409A and for purposes of this Agreement, any reference to "termination of employment," "termination" or any similar term shall be construed to mean a "separation from service" within the meaning of Section 409A.

(b) Notwithstanding anything to the contrary in this Agreement, if Employee is a "***specified employee***" within the meaning of Section 409A at the time of Employee's termination of employment (other than due to death), then the Deferred Payments, if any, that are payable within the first six (6) months following Employee's separation from service, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Employee's separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Employee dies following Employee's separation from service, but prior to the six (6) month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Employee's death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment, installment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

(c) Without limitation, any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations is not intended to constitute a Deferred Payment for purposes of Section 8(a) above.

(d) Without limitation, any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the Section 409A Limit (as defined below) is not intended to constitute a Deferred Payment for purposes of Section 8(a) above. Any payment intended to qualify under this exemption must be made within the allowable time period specified in Section 1.409A-1(b)(9)(iii) of the Treasury Regulations. "***Section 409A Limit***" means two (2) times the lesser of: (i) Employee's annualized compensation based upon the annual rate of pay paid to Employee during Employee's taxable year preceding Employee's taxable year of his or her separation from service as determined under Treasury Regulations Section 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Employee's separation from service occurred.

(e) Notwithstanding the payment provisions of Section 6, in the event and to the extent that the form of the severance benefit or payment to be provided after a Change in Control is different than the form of such severance benefit or payment to be provided prior to a Change in Control and if the applicable severance benefit or payment is a Deferred Payment, then the form of post-Change in Control severance benefit or payment shall be given effect only to the extent permitted by Section 409A and if not so permitted, such post-Change in Control severance benefit or payment shall be provided in the same form that applies prior to the Change in Control.

(f) To the extent that reimbursements or in-kind benefits under this Agreement constitute non-exempt "nonqualified deferred compensation" for purposes of Section 409A, (A) all reimbursements hereunder shall be made on or prior to the last day of the calendar year following the calendar year in which the expense was incurred by Employee, (B) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (C) the amount of expenses eligible for reimbursement or in-kind benefits provided in any calendar year shall not in any way affect the expenses eligible for reimbursement or in-kind benefits to be provided, in any other calendar year.

(g) The payments and benefits provided under this Agreement are intended to be exempt from or comply with the requirements of Section 409A so that none of the payments or benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be exempt or so comply. The Company and Employee agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions that are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Employee under Section 409A.

9. **Golden Parachute**.

(a) Anything in this Agreement to the contrary notwithstanding, if any payment or benefit Employee would receive from the Company or otherwise ("***Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code; and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then such Payment shall be equal to the Reduced Amount. The "***Reduced Amount***" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax; or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Employee's receipt, on an after-tax basis, of the greater amount of the Payment. Any reduction made pursuant to this Section 9(a) shall be made in accordance with the following order of priority: (i) stock options whose exercise price exceeds the fair market value of the optioned stock ("***Underwater Options***") (ii) Full Credit Payments (as defined below) that are payable in cash, (iii) non-cash Full Credit Payments that are taxable, (iv) non-cash Full Credit Payments that are not taxable, (v) Partial Credit Payments (as defined below) and (vi) non-cash employee welfare benefits. In each case, reductions shall be made in reverse chronological order such that the payment or benefit owed on the latest date following the occurrence of the event triggering the excise tax will be the first payment or benefit to be reduced (with reductions made pro-rata in the event payments or benefits are owed at the same time). "***Full Credit Payment***" means a payment, distribution or benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, that if reduced in value by one dollar reduces the amount of the parachute payment (as defined in Section 280G of the Code) by one dollar, determined as if such payment, distribution or benefit had been paid or distributed on the date of the event triggering the excise tax. "***Partial Credit Payment***" means any payment, distribution or benefit that is not a Full Credit Payment.

(b) A nationally recognized certified public accounting firm selected by the Company (the "***Accounting Firm***") shall perform the foregoing calculations related to the Excise Tax. If a reduction is required pursuant to Section 9(a), the Accounting Firm shall administer the ordering of the reduction as set forth in Section 9(a). The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder.

(c) The Accounting Firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to Employee and the Company within fifteen (15) calendar days after the date on which Employee's right to a Payment is triggered. Any good faith determinations of the Accounting Firm made hereunder shall be final, binding, and conclusive upon Employee and the Company.

10. **Definition of Terms**. The following terms referred to in this Agreement will have the following meanings:

(a) **2021 Plan**. "***2021 Plan***" means the Company's 2021 Equity Incentive Plan.

(b) **Cause**. "***Cause***" means Employee's:

(i) willful failure to reasonably and substantially perform Employee's duties (other than as a result of physical or mental illness or injury);

(ii) willful misconduct, intentional misrepresentation or gross negligence which causes injury (or, in the case of willful misconduct, significant injury) to the Company or any of its affiliates (whether financially, reputationally or otherwise);

(iii) commission of an act of fraud, embezzlement, misappropriation or a breach by Employee of Employee's fiduciary duty or duty of loyalty to the Company or its affiliates;

(iv) indictment, receipt of a charge or conviction for (or plea of guilty or nolo contendere with respect to) any felony or any crime involving dishonesty or moral turpitude;

(v) unlawful use (including being under the influence) or possession of illegal drugs on the Company's premises;

(vi) breach of the material terms of any agreement with the Company or any affiliate or any material Company policies (including without limitation any improper disclosure of confidential data and breach of any policy related to sexual harassment, assault or fraternization); or

(vii) failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation.

Employee will not be terminated for Cause without the Company first providing Employee with written notice of the acts or omissions constituting the grounds for Cause within sixty (60) days of the initial existence of the grounds for Cause and, if capable of cure, a cure period of thirty (30) days following the date Employee receives such notice during which such condition must not have been cured.

(c) **Code**. "***Code***" means the Internal Revenue Code of 1986, as amended.

(d) **Disability**. "***Disability***" or "***Disabled***" means that Employee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than one (1) year.

(e) **Good Reason**. "***Good Reason***" means Employee's termination of Employment within thirty (30) days following the expiration of any cure period (discussed below) following the occurrence of one or more of the following, without Employee's consent:

(i) A material reduction of Employee's duties, authority or responsibilities, relative to Employee's duties, authority or responsibilities in effect immediately prior to such reduction; provided, that a reduction in duties, authority or responsibilities solely by virtue of the Company being acquired and made part of a larger entity (as, for example, when the COO of the Company remains as such following a change of control but is not made the COO of the acquiring corporation) will not constitute Good Reason;

(ii) A material reduction in Employee's Base Salary (except where there is a reduction applicable to all similarly situated executive officers generally); provided, that a reduction of less than ten percent (10%) will not be considered a material reduction in Base Salary; or

(iii) A material breach by the Company of a material provision of this Agreement.

Employee will not resign for Good Reason without first providing the Company with written notice of the acts or omissions constituting the grounds for Good Reason within sixty (60) days of the initial existence of the grounds for Good Reason and, if capable of cure, a cure period of thirty (30) days following the date the Company receives such notice during which such condition must not have been cured.

(f) **Governmental Authority**. "***Governmental Authority***" means any federal, state, municipal, foreign or other government, governmental department, commission, board, bureau, agency or instrumentality, or any private or public court or tribunal.

(g) **Merger Agreement**. "***Merger Agreement***" means that certain Agreement and Plan of Merger by and among Leo Holdings III Corp., Longleaf Merger Sub, Inc., Longleaf Merger Sub II, LLC and Local Bounti Corporation dated as of June 17, 2021.

(h) **Person**. "***Person***" shall be construed in the broadest sense and means and includes any natural person, partnership, corporation, association, joint stock company, limited liability company, trust, joint venture, unincorporated organization, other entity or Governmental Authority.

(i) **Section 409A**. "***Section 409A***" means Section 409A of the Code, and the final regulations and any guidance promulgated thereunder or any state law equivalent.

(j) **Termination Date.** "***Termination Date***" means the date on which Employee's employment with the Company (or any successor) terminates for any reason. For purposes of the payment of severance payments and benefits pursuant to Section 6 hereof, the Termination Date shall also be required to constitute a "separation of service" from the Company (or any successor) within the meaning of Section 409A.

11. **Confidentiality Agreement**. Employee's acceptance of this offer and Employee's Employment with the Company is contingent upon the execution, and delivery to an officer of the Company, of the Company's Employee Nondisclosure, Non-Solicitation, Confidentiality and Developments Agreement, a copy of which is attached hereto as Attachment A for Employee's review and execution (the "***Confidentiality Agreement***"), prior to or on the Effective Date.

12. **Pre-Employment Conditions**.

(a) **Right to Work**. For purposes of federal immigration law, Employee will be required, if Employee has not already, to provide to the Company documentary evidence of Employee's identity and eligibility for employment in the United States. Such documentation must be provided to the Company within three (3) business days of the Effective Date, or our Employment relationship with Employee may be terminated.

(b) **Verification of Information**. This Agreement is also contingent upon the successful verification of the information Employee provided to the Company during Employee's application process, as well as a general background check performed by the Company to confirm Employee's suitability for Employment. By accepting this Agreement, Employee warrants that all information provided by Employee is true and correct to the best of Employee's knowledge, Employee agrees to execute any and all documentation necessary for the Company to conduct a background check and Employee expressly releases the Company from any claim or cause of action arising out of the Company's verification of such information.

13. **Arbitration**. To the fullest extent permitted by applicable law, Employee and the Company agree that any and all disputes, demands, claims, or controversies ("***claims***") relating to, arising from or regarding Employee's employment, including claims by the Company, claims against the Company, and claims against any current or former parent, affiliate, subsidiary, successor or predecessor of the Company, and each of the Company's and these entities' respective officers, directors, agents or employees, shall be resolved by final and binding arbitration before a single arbitrator in Missoula County, Montana (or another mutually agreeable location). This does not prevent either Employee or the Company from seeking and obtaining temporary or preliminary injunctive relief in court to prevent irreparable harm to Employee's or its confidential information or trade secrets pending the conclusion of any arbitration. This arbitration agreement does not apply to any claims that have been expressly excluded from arbitration by a governing law not preempted by the Federal Arbitration Act and does not restrict or preclude Employee from communicating with, filing an administrative charge or claim with, or providing testimony to any governmental entity about any actual or potential violation of law or obtaining relief through a government agency process. The parties hereto agree that claims shall be resolved on an individual basis only, and not on a class, collective, or representative basis on behalf of other employees to the fullest extent permitted by applicable law ("***Class Waiver***"). Any claim that all or part of the Class Waiver is invalid, unenforceable, or unconscionable may be determined only by a court. In no case may class, collective or representative claims proceed in arbitration on behalf of other employees.

The parties agree that the arbitration shall be conducted by a single neutral arbitrator through JAMS in accordance with JAMS Employment Arbitration Rules and Procedures (available at www.jamsadr.com/rules-employment-arbitration). Except as to the Class Waiver, the arbitrator shall determine arbitrability. The Company will bear all JAMS arbitration fees and administrative costs in excess of the amount of administrative fees and costs that Employee otherwise would have been required to pay if

the claims were litigated in court. The arbitrator shall apply the applicable substantive law in deciding the claims at issue. Claims will be governed by their applicable statute of limitations and failure to demand arbitration within the prescribed time period shall bar the claims as provided by law. The decision or award of the arbitrator shall be final and binding upon the parties. This arbitration agreement is enforceable under and governed by the Federal Arbitration Act. In the event that any portion of this arbitration agreement is held to be invalid or unenforceable, any such provision shall be severed, and the remainder of this arbitration agreement will be given full force and effect. By signing this Agreement, Employee acknowledges and agrees that Employee has read this arbitration agreement carefully, are bound by it and are WAIVING ANY RIGHT TO HAVE A TRIAL BEFORE A COURT OR JURY OF ANY AND ALL CLAIMS SUBJECT TO ARBITRATION UNDER THIS ARBITRATION AGREEMENT.

14. **Miscellaneous Provisions**.

(a) **Successors**.

(i) **Company's Successors**. This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. For all purposes under this Agreement, the term "***Company***" shall include any successor to the Company's business or assets that become bound by this Agreement or any affiliate of any such successor that employs Employee.

(ii) **Employee's Successors**. This Agreement and all of Employee's rights hereunder shall inure to the benefit of, and be enforceable by, Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

(b) **Indemnification**. The Company shall indemnify Employee to the maximum extent permitted by applicable law and the Company's Bylaws with respect to Employee's service and Employee shall also be covered under a directors and officers liability insurance policy paid for by the Company to the extent that the Company maintains such a liability insurance policy now or in the future. Employee agrees to indemnify and save the Company and its affiliates harmless from any damages, which the Company may sustain in any manner primarily through Employee's willful misconduct or gross negligence or a material breach of the provisions of this Agreement.

(c) **Headings**. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(d) **Notice**.

(i) **General**. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In Employee's case, mailed notices shall be addressed to Employee at the home address that Employee most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

(ii) **Notice of Termination**. Any termination by the Company for Cause or by Employee for Good Reason will be communicated by a notice of termination to the other party hereto given in accordance with Section 14(d)(i) of this Agreement. Such notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date (which will be not more than thirty (30) days after the giving of such notice), subject

to any applicable cure period. The failure by the Company or the Employee to include in the notice any fact or circumstance which contributes to a showing of Cause or Good Reason, as applicable, will not waive any right of the Company or Employee, as applicable, hereunder or preclude the Company or Employee, as applicable, from asserting such fact or circumstance in enforcing its or his or her rights hereunder, as applicable.

(e) **Modifications and Waivers**. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Employee and by an authorized officer of the Company (other than Employee). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(f) **Whole Agreement**. No other agreements, representations or understandings (whether oral or written and whether express or implied) that are not expressly set forth in this Agreement have been made or entered into by either party with respect to the subject matter hereof. This Agreement and the Confidentiality Agreement contain the entire understanding of the parties with respect to the subject matter hereof. For the avoidance of doubt, this Agreement expressly supersedes the terms of that certain [Offer Letter] by and between Employee and the Company dated as of [Date].

(g) **Withholding Taxes**. All payments made under this Agreement shall be subject to reduction to reflect taxes or other deductions required to be withheld by law.

(h) **Choice of Law and Severability**. Except as otherwise provided in the arbitration agreement in Section 13, this Agreement shall be interpreted in accordance with the laws of the State of [•], without giving effect to provisions governing the choice of law. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is rendered illegal by any present or future statute, law, ordinance or regulation (collectively, the "***Law***") then that provision shall be curtailed or limited only to the minimum extent necessary to bring the provision into compliance with the Law. All the other terms and provisions of this Agreement shall continue in full force and effect without impairment or limitation.

(i) **No Assignment**. This Agreement and all of Employee's rights and obligations hereunder are personal to Employee and may not be transferred or assigned by Employee at any time. The Company may assign its rights under this Agreement to any entity that assumes the Company's obligations hereunder in connection with any sale or transfer to such entity of all or a substantial portion of the Company's assets.

(j) **Acknowledgment**. Employee acknowledges that Employee has had the opportunity to discuss this matter with and obtain advice from Employee's personal attorney, has had sufficient time to, and has carefully read and fully understood all the provisions of this Agreement, and is knowingly and voluntarily entering into this Agreement.

(k) **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Execution via DocuSign or a similar service, or of a facsimile copy or scanned image will have the same force and effect as execution of an original, and an electronic or facsimile signature or scanned image of a signature will be deemed an original and valid signature.

(l) **Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents or notices related to this letter, securities of the Company or any of its affiliates or any other matter, including documents and/or notices required to be delivered to Employee by applicable securities law or any other law or the Company's Certificate of Incorporation or Bylaws, by email or any other electronic means. Employee hereby consents to (i) conduct business electronically, (ii) receive such documents and notices by such electronic delivery, and (iii) sign documents electronically and participate through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

[Signature Page Follows]

After you have had an opportunity to review this Agreement, please feel free to contact me if you have any questions or comments. To indicate your acceptance of this Agreement, please sign and date this letter in the space provided below and return it to the Company. In the event the Mergers are not consummated, this Agreement shall be null and void *ab initio* and of no further force or effect.

Very truly yours,

LOCAL BOUNTI CORPORATION

By: _____
(Signature)

Name: _____

Title: _____

ACCEPTED AND AGREED:

[EMPLOYEE NAME]

_____

(Signature)

_____

Date

Attachment A: Employee Nondisclosure, Non-Solicitation, Confidentiality and Developments Agreement

ATTACHMENT A

EMPLOYEE NONDISCLOSURE, NON-SOLICITATION, CONFIDENTIALITY AND DEVELOPMENTS AGREEMENT

(See Attached)

EMPLOYEE NONDISCLOSURE, NON-SOLICITATION, CONFIDENTIALITY AND DEVELOPMENTS AGREEMENT

[Date]

In consideration of and as a condition of my employment by Local Bounti Corporation, a Delaware corporation, or any other member of the Company Group (as defined below) (the "***Company***"), and for other good and valuable consideration the receipt of which I hereby acknowledge, I, the undersigned, hereby enter into this Employee Nondisclosure, Non-Solicitation, Confidentiality and Developments Agreement (this "***Agreement***") with the Company, to be effective as of immediately after the Closing of the Mergers (as those terms are defined in certain Agreement and Plan of Merger by and among Leo Holdings III Corp., Longleaf Merger Sub, Inc., Longleaf Merger Sub II, LLC and Local Bounti Corporation dated as of June 17, 2021) (such date, the "***Effective Date***"):

1. **NON-SOLICITATION OF CUSTOMERS**. During the Restricted Period (as defined below), I will not, directly or indirectly, alone or as a partner, officer, director, employee, consultant, independent contractor, agent or stockholder of any entity:

(a) solicit, take away or attempt to take away, divert or attempt to divert, or assist any other company or business organization to solicit, take away or attempt to take away, divert or attempt to divert any entity which is a customer, licensee, supplier, vendor, distributor, dealer or manufacturer of the Company or any of its subsidiaries, parents or affiliates, or their respective predecessors, successors and assigns (the Company, together with its subsidiaries, parents and affiliates and their respective predecessors, successors and assigns, the "***Company Group***") at the time of my termination of employment from the Company;

(b) solicit, take away or attempt to take away, divert or attempt to divert or assist any other company or business organization to solicit take away or attempt to take away, divert or attempt to divert any entity which was a customer, licensee, supplier, vendor, distributor, dealer or manufacturer of the Company Group at any time within six months prior to my termination of employment from the Company ("***Restricted Entity***"), *provided*, *however*, that this provision shall only be applicable to the extent that I knew or should have known of the Company Group's relationship with such Restricted Entity based on information available to me at the time of termination of my employment;

(c) solicit, take away or attempt to take away, divert or attempt to divert or assist any other company or business organization to solicit, take away or attempt to take away, divert or attempt to divert any entity which is a Prospective (as defined below) customer, licensee, supplier, vendor, distributor, dealer or manufacturer of the Company Group at the time of my termination of employment from the Company ("***Restricted Prospective Entity***"), *provided*, *however*, that this provision shall only be applicable to the extent that I knew or should have known of the Company Group's relationship with such Restricted Prospective Entity based on information available to me at the time of termination of my employment; or

(d) interfere with or disrupt or assist any other company or business organization to interfere with or disrupt any existing relationships between the Company Group and an entity which is a customer, licensee, supplier, vendor, distributor, dealer or manufacturer of the Company Group at the time of my termination of employment from the Company.

(e) For the purpose of this Agreement, the term "***Restricted Period***" will mean the term of my employment with the Company Group and a period of twelve (12) months after the termination thereof (for any reason whatsoever).

(f) For the purpose of Section 1(c), the term "***Prospective***" will mean those customers, licensees, suppliers, vendors, distributors, dealers or manufacturers to whom a formal pricing proposal has been made by the Company Group within the twelve (12) months preceding the termination of my employment.

2. **NON-SOLICITATION/NON-HIRE OF EMPLOYEES**. During the Restricted Period, I will not, directly or indirectly, (a) employ; (b) knowingly permit any company or business organization which is directly or indirectly controlled by me to employ; (c) recruit or attempt to recruit, solicit or attempt to solicit, attempt to hire, interfere with or endeavor to entice away; or (d) assist any entity, company or business organization to recruit or attempt to recruit, solicit or attempt to solicit, attempt to hire, interfere with or endeavor to entice away any person who is or was employed by the Company Group or is or was an agent, representative or consultant of the Company Group within the year prior to the termination of my employment with the Company Group. Notwithstanding the foregoing, a general solicitation not targeted at any person who is or was employed by the Company Group shall not be a violation of this Section 2, but hiring of any such person who responds to such general solicitation shall be a violation.

3. **NON-COMPETITION**. During the Restricted Period, I shall not directly or indirectly, individually or on behalf of any other person or entity, engage in any commercial activity that directly competes with the Company Group, or take an interest in any business (as an owner, stockholder, partner or lender) that directly competes with the Company Group; nor will I take any position (as an employee, consultant, agent or otherwise) with any entity that directly competes with the Company Group. Subject to the terms of this Agreement, I may make passive investments in any enterprise, the shares of which are publicly traded, if such investment constitutes less than one percent (1%) of the equity of such enterprise.

4. **NON-DISPARAGEMENT**. I will not at any time, whether during or after the termination of my employment (for any reason whatsoever), make any disparaging or defamatory comments regarding the Company Group or its respective current or former directors, officers, employees or shareholders in any respect or make any comments concerning any aspect of my relationship with any member of the Company Group or any conduct or events which precipitated any termination of my employment from the Company Group. However, the parties' obligations under this Section 4 shall not apply to disclosures required by applicable law, regulation, or order of a court or governmental agency.

5. **NONDISCLOSURE OBLIGATION**.

(a) I will not at any time, whether during or after the termination of my employment (for any reason whatsoever), reveal to any person or entity any trade secrets or Confidential Information (as defined below) of the Company Group or any trade secrets or Confidential Information of any third parties which the Company Group is under an obligation to keep confidential, except to employees of the Company Group who need to know such information for the purposes of their employment, or as otherwise authorized by the Company in writing or as otherwise required to be disclosed by applicable law. For the purpose of this Agreement, "***Confidential Information***" includes, but is not limited to, (i) research and development activities, product designs, prototypes and technical specifications, show how and know how, marketing plans and strategies, pricing and costing policies, customer and suppliers lists and accounts, nonpublic financial information, systems, processes, software programs, works of authorship, inventions, projects, plans and proposals and (ii) any business information provided to the Company by its subscribers or other third parties, including but not limited to information relating to subscribers' customers and any protected health information (PHI) and/or personally identifiable information (PII) as defined by applicable laws and regulations such as the Health Insurance Portability and Accountability Act as well as other applicable privacy laws or regulations. I will keep secret all matters entrusted to me and will not use or attempt to use any Confidential Information except as may be required in the ordinary course of performing my duties as an employee of the Company Group, nor will I use any Confidential Information in any manner

which may injure or cause loss or may be calculated to injure or cause loss to the Company Group, whether directly or indirectly, except that nothing in this Agreement shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order. To the extent legally permissible, you shall promptly provide reasonable advance written notice of any such order to an authorized officer of the Company. Without limiting the generality of the foregoing: (A) nothing in this Agreement prohibits or restricts you (or your attorney) from communicating with the Securities and Exchange Commission, the Financial Industry Regulatory Authority, or any other applicable regulatory authority regarding a possible securities law violation; and (B) nothing in this Agreement prohibits or restricts you from exercising protected rights, including without limitation those rights granted under Section 7 of the National Labor Relations Act, or otherwise disclosing information as permitted by applicable law, regulation, or order.

(b) Third Party Information. My agreements in this Section 5 are intended to be for the benefit of the Company Group and any third party that has entrusted information or physical material to the Company Group in confidence. In addition, I will not at any time improperly use or disclose to the Company Group any confidential, proprietary or secret information of my former employer(s) or any other person, and I will not bring any such information onto the Company Group's property or place of business.

(c) U.S. Defend Trade Secrets Act. I acknowledge that the U.S. Defend Trade Secrets Act of 2016 ("***DTSA***") provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (iii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, the DTSA provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

6. **COMPANY DOCUMENTATION**. Furthermore, I agree that during my employment I will not make, use or permit to be used any Company Group documentation otherwise than for the benefit of the Company Group. Company Group documentation includes, but is not limited to, notes memoranda, reports, lists, records, drawings, sketches, specifications, software programs, data documentation or other materials of any nature and in any form, whether written, printed or in digital format or otherwise relating to any matter within the scope of the business of the Company Group or concerning any of its dealings or affairs. While Company Group documentation does include specific materials bearing the Company Group's brand, Company Group documentation does not include basic document, graphical and explanatory designs that I brought to the Company Group from previous experience and employment. I further agree that I will not, after the termination of my employment, use or permit others to use any such Company Group documentation, it being agreed that all Company Group documentation will be and remain the sole and exclusive property of the Company Group. Immediately upon the termination of my employment I will deliver all Company Group documentation in my possession, and all copies thereof, to the Company Group, at its main office.

7. **ASSIGNMENT OF INVENTIONS**.

(a) Developments Retained and Licensed. I have attached hereto, as Schedule A, a list describing with particularity all developments, original works of authorship, improvements, and trade secrets that I can demonstrate were created or owned by me prior to the commencement of my employment (collectively referred to as "***Prior Developments***"), which belong solely to me or belong to me jointly with another, that relate in any way to any of the actual or proposed businesses, products, or research and development of any member of the Company Group, and that are not assigned to the Company hereunder, or if no such list is attached, I represent that there are no such Prior Developments. If, during any period during which I perform or performed services for any member of the Company Group both before or after the date hereof (the "***Assignment Period***"), whether as an officer, employee, director, independent contractor, consultant, or agent, or in any other capacity, I incorporate (or have incorporated) into any member of the Company Group's product or process a Prior Development owned by me or in which I have an interest, I hereby grant each member of the Company Group, and each member of the Company Group shall have, a non-exclusive, royalty-free, irrevocable, perpetual, transferable worldwide license (with the right to sublicense) to make, have made, copy, modify, make derivative works of, use, sell, and otherwise distribute such Prior Development as part of or in connection with such product or process.

(b) Assignment of Developments. I agree that I will, without additional compensation, promptly make full written disclosure to the Company, and will hold in trust for the sole right and benefit of the Company all developments, original works of authorship, inventions, concepts, know-how, improvements, trade secrets, and similar proprietary rights, whether or not patentable or registrable under copyright or similar laws, which I may solely or jointly conceive or develop or reduce to practice, or have solely or jointly conceived or developed or reduced to practice, or have caused or may cause to be conceived or developed or reduced to practice, during the Assignment Period, whether or not during regular working hours, provided they either (i) relate at the time of conception, development or reduction to practice to the business of any member of the Company Group, or the actual or anticipated research or development of any member of the Company Group; (ii) result from or relate to any work performed for any member of the Company Group; or (iii) are developed through the use of equipment, supplies, or facilities of any member of the Company Group, or any Confidential Information, or in consultation with personnel of any member of the Company Group (collectively referred to as "***Developments***"). I further acknowledge that all Developments made by me (solely or jointly with others) within the scope of and during the Assignment Period are "works made for hire" (to the greatest extent permitted by applicable law) for which I am, in part, compensated by my salary, unless regulated otherwise by law, but that, in the event any such Development is deemed not to be a work made for hire, I hereby assign to the Company, or its designee, all my right, title, and interest throughout the world in and to any such Development. If any Developments cannot be assigned, I hereby grant to each member of the Company Group an exclusive, assignable, irrevocable, perpetual, worldwide, sublicenseable (through one or multiple tiers), royalty-free, unlimited license to use, make, modify, sell, offer for sale, reproduce, distribute, create derivative works of, publicly perform, publicly display and digitally perform and display such work in any media now known or hereafter known. Outside the scope of my service, whether during or after my employment with any member of the Company Group, I agree not to (x) modify, adapt, alter, translate, or create derivative works from any such work of authorship or (y) merge any such work of authorship with other Developments. To the extent rights related to paternity, integrity, disclosure and withdrawal (collectively, "***Moral Rights***") may not be assignable under applicable law and to the extent the following is allowed by the laws in the various countries where Moral Rights exist, I hereby irrevocably waive such Moral Rights and consent to any action of any member of the Company Group that would violate such Moral Rights in the absence of such consent.

(c) Maintenance of Records. I agree to keep and maintain adequate and current written records of all Developments made by me (solely or jointly with others) during the Assignment Period. The records may be in the form of notes, sketches, drawings, flow charts, electronic data or recordings, and any other format. The records will be available to and remain the sole property of any member of the Company Group at all times. I agree not to remove such records from the Company's place of business except as expressly permitted by Company Group policy, which may, from time to time, be revised at the sole election of such member of the Company Group for the purpose of furthering the business of such member of the Company Group.

(d) Intellectual Property Rights. I agree to assist the Company, or its designee, at the Company's expense, in every reasonable way to secure the rights of each member of the Company Group in the Developments and any copyrights, patents, trademarks, service marks, database rights, domain names, mask work rights, moral rights, and other intellectual property rights relating thereto in any and all countries, including the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments, recordations, and all other instruments that the Company shall reasonably deem necessary in order to apply for, obtain, maintain, and transfer such rights and in order to assign and convey to each member of the Company Group the sole and exclusive right, title, and interest in and to such Developments, and any intellectual property and other proprietary rights relating thereto. I further agree that my obligation to execute or cause to be executed, when it is in my power to do so, any such instrument or papers shall continue after the Assignment Period until the expiration of the last such intellectual property right to expire in any country of the world; *provided*, *however*, the Company shall reimburse me for my reasonable expenses incurred in connection with carrying out the foregoing obligation. If the Company is unable because of my mental or physical incapacity or unavailability for any other reason to secure my signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering Developments or original works of authorship assigned to the Company as above, then I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney in fact to act for and in my behalf and stead to execute and file any such applications or records and to do all other lawfully permitted acts to further the application for, prosecution, issuance, maintenance, and transfer of letters patent or registrations thereon with the same legal force and effect as if originally executed by me. I hereby waive and irrevocably quitclaim to the Company any and all claims, of any nature whatsoever, that I now or hereafter have for past, present, or future infringement of any and all proprietary rights assigned to the Company.

(e) Exception to Assignments. Subject to the requirements of applicable state law, if any, I understand that the Developments will not include, and the provisions of this Agreement requiring assignment of inventions to the Company do not apply to, any invention that qualifies fully for exclusion under the provisions of applicable state law, if any.

8. **ACKNOWLEDGEMENTS**. I acknowledge and recognize that the terms and provisions of this Agreement are not intended to restrict me in the exercise of my skills or the use of knowledge or information that does not rise to the level of Confidential Information set forth above. I acknowledge and agree that the purpose of this Agreement is (and that such agreement is necessary) to prevent me from unfairly taking advantage of the contacts I established while with the Company Group and the Confidential Information, and to protect the Company's investment in and good will of its business (which I acknowledge are legitimate business interests of the Company). I acknowledge the reasonableness of this Agreement and its respective limitations, given my position with the Company Group, and the Company's business, and I agree to strictly abide by the terms hereof.

9. **NOTICE TO THIRD PARTIES**. After the termination of my employment with the Company Group (for whatever reason) and during the Restricted Period, I shall inform any entity or person with whom I may seek to enter into a business relationship (whether as an owner, employee, independent contractor or otherwise) of my contractual obligations under this Agreement. I acknowledge that the Company may, with or without prior notice to me, notify third parties of my agreements and obligations under this Agreement. Upon written request by the Company, I will respond to the Company in writing regarding the status of my employment or proposed employment with any party during the Restriction Period.

10. **REMEDIES UPON BREACH**. I agree that any breach of this Agreement by me will cause irreparable damage to the Company and that in the event of such breach the Company will have, in addition to any and all remedies of law, the right to an injunction, specific performance or other equitable relief to prevent the violation of my obligations hereunder.

11. **ABSENCE OF CONFLICTING AGREEMENTS**. I understand that the Company Group does not desire to acquire from me any trade secrets, know how or confidential business information that I may have acquired from others. I represent that I will not use such information in the performance of my duties for the Company Group. I also represent that I am not bound by any agreement or any other existing or previous business relationship that conflicts with or prevents the full performance of my duties and obligations to the Company Group during the course of employment.

12. **NO OBLIGATION TO CONTINUE EMPLOYMENT**. I understand that this Agreement does not create an obligation on the Company Group or any other person or entity to continue my employment.

13. **MISCELLANEOUS**. Any amendment to or modification of this Agreement, or any waiver of any provision hereof, will require the mutual agreement of the Company and me, in writing and signed by the Company and by me. Any waiver by the Company of a breach of any provision of this Agreement will not operate or be construed as a waiver of any subsequent breach of such provision or any other provision hereof. The captions of this Agreement are for reference only and do not define, limit or affect the scope of any section of this Agreement. My obligations under this Agreement will survive the termination of my employment regardless of the manner of such termination and will be binding upon my heirs, executors, administrators and legal representatives. The Company will have the right to assign this Agreement to its successors and assigns, and all covenants and agreements hereunder will inure to the benefit of and be enforceable by said successors or assigns. This Agreement will be governed by and construed in accordance with the internal laws of the State of [•], without giving effect to the principles of conflicts of laws thereof. I agree that the federal and state courts sitting in the State of [•] will have exclusive venue over any dispute or litigation arising out of the subject matter hereof.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as a sealed instrument as of the dates indicated below, to be effective as of the Effective Date.

LOCAL BOUNTI CORPORATION

Date: _____

Signature: _____

Name: _____

Title: _____

[Signature Page to Employee Nondisclosure, Non-solicitation, Confidentiality and Developments Agreement]

Date: _____ Signature: _____

Name: _____

[Signature Page to Employee Nondisclosure, Non-solicitation,
Confidentiality and Developments Agreement]

EMPLOYEE NONDISCLOSURE, NON-SOLICITATION, CONFIDENTIALITY AND DEVELOPMENTS AGREEMENT

SCHEDULE A

LIST OF PRIOR DEVELOPMENTS AND ORIGINAL WORKS OF AUTHORSHIP EXCLUDED FROM SECTION 7

The following is a list of (i) all Developments that, as of the Effective Date: (A) have been created by me or on my behalf, and/or (B) are owned exclusively by me or jointly by me with others or in which I have an interest, and that relate in any way to any of the Company Group's actual or proposed businesses, products, services, or research and development, and which are not assigned to the Company Group hereunder and (ii) all agreements, if any, with a current or former client, employer, or any other person or entity, that may restrict my ability to accept employment with the Company Group or my ability to recruit or engage customers or service providers on behalf of the Company Group, or otherwise relate to or restrict my ability to perform my duties for the Company Group or any obligation I may have to the Company Group:

Title	Date	Identifying Number or Brief Description

Except as indicated above on this Schedule, I have no inventions, improvements, original works or other Prior Developments to disclose pursuant to Section 7 of this Agreement.

____ Additional sheets attached

Signature of Employee: _____

Print Name of Employee: _____

DATE: _____

Exhibit 21.1

Subsidiaries of Local Bounti Corporation

Name of Subsidiary	Jurisdiction of Organization
Local Bounti Operating Company LLC	Delaware

LOCAL BOUNTI CORPORATION
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Share and per Share Amounts)

	As of September 30, 2021	As of December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	$ 10,376	$ 45
Restricted cash	4,416	—
Accounts receivable, net of allowance	92	11
Accounts receivable - related party	16	322
Inventory, net of allowance	630	243
Prepaid expenses and other current assets	984	7
Prepaid professional fees	4,439	—
Total current assets	20,953	628
Property and equipment, net	22,224	8,423
Other assets	423	51
Total assets	$ 43,600	$ 9,102
Liabilities and stockholders' equity (deficit)		
Current liabilities		
Accounts payable	$ 1,850	$ 176
Accrued liabilities	6,277	1,294
Accrued liabilities - related party	—	833
Share settlement note	—	50
Total current liabilities	8,127	2,353
Long-term debt	15,638	104
Convertible Notes	31,117	—
Warrant liability	1,425	—
Financing obligation	12,744	9,216
Total liabilities	69,051	11,673
Stockholders' equity (deficit)		
Voting common stock, 0.0001 par value, 20,000,000 shares authorized, 9,886,283 issued and oustanding as of September 30, 2021 and December 31, 2020	1	1
Nonvoting common stock, 0.0001 par value, 2,037,680 shares aurthorized, 2,037,680 and 1,799,891 issued and oustanding as of September 30, 2021 and December 31, 2020, respectively	—	—
Additional paid-in capital	14,519	9,577
Accumulated deficit	(39,971)	(12,149)
Total stockholders' deficit	(25,451)	(2,571)
Total liabilities and stockholders' equity (deficit)	$ 43,600	$ 9,102

See accompanying notes to unaudited condensed consolidated financial statements

LOCAL BOUNTI CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands, Except Share and per Share Amounts)

	For the nine months ended September 30,	
	2021	**2020**
Sales	$ 324	$ 39
Cost of goods sold	249	8
Gross profit	75	31
Operating expenses:		
Research and development	2,245	358
Selling, general and administrative	15,493	4,223
Depreciation	392	182
Total operating expenses	18,130	4,763
Loss from operations	(18,055)	(4,732)
Other income (expense):		
Management fee income	62	21
Convertible notes fair value adjustment	(5,067)	—
Warrant fair value adjustment	(10)	—
Debt extinguishment expense	(1,485)	—
Interest expense, net	(3,267)	(317)
Loss before income taxes	(27,822)	(5,028)
Income tax expense	—	—
Net loss	$ (27,822)	$ (5,028)
Net loss attributable to stockholders (Note 13):		
Basic and diluted	$ (2.81)	$ (0.50)

See accompanying notes to unaudited condensed consolidated financial statements

LOCAL BOUNTI CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(In Thousands, Except Share Amounts)

	Voting Common Stock		Non-Voting Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount			
Balance as of December 31, 2020	9,886,283	$ 1	1,799,811	$ —	$ 9,577	$ (12,149)	$ (2,571)
Issuance of common stock	—	—	237,869	—	—	—	—
Net loss	—	—	—	—	—	(27,822)	(27,822)
Stock-based compensation	—	—	—	—	4,942	—	4,942
Balance as of September 30, 2021	9,886,283	$ 1	2,037,680	$ —	$ 14,519	$ (39,971)	$ (25,451)

	Voting Common Stock		Non-Voting Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount			
Balance as of December 31, 2019	10,291,688	$ 1	—	$ —	$ 6,293	$ (3,740)	$ 2,554
Share redemption	(405,405)	—	—	—	(11)	—	(11)
Net loss	—	—	—	—	—	(5,028)	(5,028)
Stock-based compensation	—	—	—	—	2,471	—	2,471
Balance as of September 30, 2020	9,886,283	$ 1	—	$ —	$ 8,753	$ (8,768)	$ (14)

See accompanying notes to unaudited condensed consolidated financial statements

LOCAL BOUNTI CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)

	For the nine months ended September 30,	
	2021	**2020**
Cash flows from operating activities		
Net loss	$ (27,822)	$ (5,028)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation	392	182
Stock-based compensation expense	4,942	2,470
Bad debt allowance	4	—
Inventory allowance	(17)	—
Change in fair value - Convertible Notes	5,067	—
Change in fair value - warrant	10	—
Loss on extinguishment	939	—
Amortization of debt issuance costs	782	—
Changes in assets and liabilities:		
Accounts receivable	(85)	(207)
Accounts receivable - related party	306	(520)
Inventory	(370)	(185)
Prepaid expenses and other current assets	(977)	(13)
Prepaid professional fees	(4,439)	—
Other assets	115	(57)
Accounts payable	1,673	381
Accrued liabilities	5,033	(328)
Accrued liabilities - related party	(833)	(342)
Net cash used in operating activities	(15,280)	(3,647)
Cash flows from investing activities		
Purchases of property and equipment	(14,193)	(3,723)
Net cash used in investing activities	(14,193)	(3,723)
Cash flows from financing activities		
Proceeds from issuance of debt	26,793	536
Payment of debt issuance costs	(1,448)	—
Proceeds from issuance of convertible notes	26,000	—
Repayment of debt	(10,654)	(2,865)
Payments of share settlement	—	(11)
Proceeds from financing obligations	3,529	7,655
Net cash provided by financing activities	44,220	5,315
Net increase (decrease) in cash and cash equivalents and restricted cash	14,747	(2,055)
Cash and cash equivalents and restricted cash at beginning of period	45	2,137
Cash and cash equivalents and restricted cash at end of period	$ 14,792	$ 82
Non-cash investing and financing activities:		
Non-cash proceeds from issuance of Convertible Notes for services provided	$ 50	$ —
Non-cash proceeds from issuance of Share Settlement Note	—	80
Purchases of property and equipment included in accounts payable and accrued liabilities	3,062	—

1. Business and Basis of Presentation

Description of the Business

Local Bounti was founded in August 2018 and is headquartered in Hamilton, Montana. Local Bounti is a producer of sustainably grown living lettuce, herbs and loose leaf lettuce. The Company's vision is to deliver the freshest, locally grown produce over the fewest food miles possible. The Company grows its products in its patented controlled environmental agriculture ("CEA") facility. Through its CEA process, it is the Company's goal to produce its products in an environmentally sustainable manner that will increase harvest efficiency, limit water usage and reduce the carbon footprint of the production and distribution process. The environmental greenhouse conditions help to ensure nutritional value and taste, and the products are non-GMO and pesticide and herbicide free. The Company's products use 90% less water and 90% less land than conventional agriculture to produce. The Company's first CEA facility in Hamilton, Montana (the "Montana Facility") commenced construction in 2019 and reached full commercial operation by the second half of 2020.

Business Combination

On June 17, 2021, the Company entered into a business combination agreement with Leo Holdings III Corporation ("Leo"), a publicly traded special purpose acquisition company ("SPAC"). As a result of this merger, which is structured as a reverse acquisition, Local Bounti will operate as a public company. At the close of the transaction on November 19, 2021, approximately $100,000 thousand was transferred to Local Bounti to fund operations.

Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") pursuant to the rules and regulations of the Security and Exchange Commission ("SEC") for interim reporting and are presented in U.S. Dollars. As permitted under those rules, certain footnotes or other financial information that are normally required by GAAP have been condensed or omitted. As such, the information should be read in conjunction with the audited consolidated financial statements and the related notes thereto as of and for the year ended December 31, 2020 included in the final prospectus and definitive proxy statement, dated October 20, 2021 and filed with the Securities and Exchange Commission on October 20, 2021 incorporated herein by reference.

Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Updates ("ASU") of the Financial Accounting Standards Board ("FASB"). The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in the unaudited condensed consolidated financial statements herein.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of the unaudited condensed consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the unaudited condensed consolidated financial statements and accompanying notes. On an ongoing basis, the Company evaluates its estimates, including those related to the valuation of instruments issued for share-based compensation, inventory valuation reserve, warrant liabilities, and income taxes, among others. The Company bases these estimates on historical experience and on various other assumptions that it believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates.

Fair Value Measurements

The Company measures fair value based on the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability. The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis whereby inputs used in valuation techniques are assigned a hierarchical level. The following are the hierarchical levels of inputs to measure fair value:

Level 1—This level consists of quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities.

Level 2—This level consists of observable prices that are based on inputs not quoted on active markets but corroborated by market data.

Level 3—This level consists of unobservable inputs that are used when little or no market data is available.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

COVID-19 and Paycheck Protection Program Loan

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was signed into law. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, and deferment of the employer's portion of Social Security taxes. In April 2020, the Company received $104 thousand from stimulus loans under the Paycheck Protection Program ("PPP") of the CARES Act. The PPP is administered by the U.S. Small Business Administration (the "SBA"). Refer to Note 7 — Debt for additional discussion about the PPP loan. The Company's eligibility for the stimulus loan, expenditures that qualify toward forgiveness, and the final balance of the stimulus loan that may be forgiven were subject to audit and final approval by the SBA. To the extent that all or part of the stimulus loan was not forgiven, the Company was required to pay interest at 1% and, commencing in October 2020, interest payments were required through the maturity date in April 2022. The terms of the stimulus loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The stimulus loan may have been accelerated upon the occurrence of an event of default, including if the SBA subsequently reached an audit determination that the Company did not meet the eligibility criteria. In June 2021, the Company repaid the amounts under the PPP loan.

Research and Development

Research and development expenses consist primarily of compensation to employees engaged in research and development activities, including salaries, and related benefits, in addition to related overhead (including depreciation, utilities and other related allocated expenses) as well as supplies and services related to the development of the Company's growing process. Local Bounti's research and development efforts are focused on development of the Company's process utilizing its CEA facility.

Emerging Growth Company

Section 102(b)(1) of the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standards. The Company qualifies as an emerging growth company, as defined in the JOBS Act, and therefore intends to take advantage of certain exemptions from various public company reporting requirements, including delaying adoption of new or revised accounting standards until those standards apply to private companies. The effective dates shown below reflect the election to use the extended transition period.

Recently Issued Accounting Pronouncements

In August 2020, the FASB issued ASU 2020-06, "*Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity,*" which simplifies the accounting for certain financial instruments with characteristics of liability and equity, including convertible instruments and contracts on an entity's own equity. The standard reduces the number of models used to account for convertible instruments, removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, and requires the if-converted method for calculation of diluted earnings per share for all convertible instruments. The standard is effective for the Company for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2023. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020. The Company is currently in the process of evaluating the impact that the adoption of the ASU will have on the Company's results of operations and financial position and the related disclosures.

In May 2021, the FASB issued ASU 2021-04, "*Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40); Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options,*" which clarifies the accounting for modifications or exchanges of freestanding equity-classified written call options (e.g. warrants) that remain equity classified after modification or exchange. The standard is effective for the Company for fiscal years, and interim periods within those fiscal years beginning after December 15, 2021. Early adoption is permitted. The Company is currently in the process of evaluating the impact that the adoption of the ASU will have on the Company's accounting of its debt and warrants.

3. Restricted Cash

On September 3, 2021, the Company entered into a Subordinated Credit Agreement with Cargill Financial Services International, Inc. ("Cargill Financial"). See Note 7—Debt for further detail. Under the agreement, the Company is able to borrow up to $50,000 thousand (the "Cargill Loan") from Cargill Financial. As part of the Cargill Loan, the Company is required to establish an "Interest Reserve Account," which is a deposit account, that contains minimum funds in an amount equal to or greater than the Minimum Interest Amount (as set forth in the Cargill Loan). The Company has drawn a total of $16,293 thousand on the Cargill Loan as of September 30, 2021. Out of the total outstanding balance, $4,416 thousand was to fund the Interest Reserve Account, and is classified as "Restricted cash" in the Condensed Consolidated Balance Sheet.

4. Inventory

Inventory is carried at the lower of cost or net realizable value using thefirst-in, first-out ("FIFO") method. Cost is determined using the weighted average cost method. Inventory write-downs are recorded for shrinkage, damaged, stale and slow-moving items. Inventories consisted of the following (in thousands):

	As of September 30, 2021	As of December 31, 2020
Raw materials	$ 161	$ 21
Work-in-process	53	83
Finished goods	1	5
Packaging	266	182
Consignment	166	21
Inventory allowance	(17)	(69)
Total inventory, net	$ 630	$ 243

The assessment of recoverability of inventories and the amounts of any write-downs are based on currently available information and assumptions about future demand and market conditions. Demand for produce may fluctuate significantly over time, and actual demand and market conditions may be more or less favorable than the Company's projections. If actual demand is lower than originally projected, additional inventory write- downs may be required.

5. Property and Equipment

Property and equipment consisted of the following (in thousands):

	As of September 30, 2021	As of December 31, 2020
Greenhouse facility	$ 9,281	$ 5,203
Equipment	2,059	1,621
Land	3,558	345
Leasehold improvements	3,947	—
Construction-in-progress	4,058	1,541
Less: Accumulated depreciation	(679)	(287)
Property and equipment, net	$ 22,224	$ 8,423

Depreciation expense related to property and equipment was $392 thousand for the nine months ended September 30, 2021, as compared to $182 thousand for the nine months ended September 30, 2020.

6. Accrued Liabilities

Accrued liabilities consisted of the following (in thousands):

	As of September 30, 2021	As of December 31, 2020
Accrued payroll	$ 2,532	$ 1,125
Accrued interest	1,207	—
Accrued agriculture expenses	533	125
Accrued construction expenses	1,902	—
Other accrued expenses	103	44
Total accrued liabilities	$ 6,277	$ 1,294

7. Debt

Debt consisted of the following (in thousands):

	As of September 30, 2021	As of December 31, 2020
PPP loan	$ —	$ 104
Share settlement note	—	50
Cargill Loan	16,293	—
Unamortized deferred financing costs, Cargill Loan	(655)	—
Convertible notes with fair value adjustment ($26,050 thousand in face value)	31,117	—
Total debt	46,755	154
Share settlement note - short term	—	(50)
Convertible notes with fair value adjustment ($26,050 thousand in face value)	(31,117)	—
Long-term debt, less current portion and convertible notes	$ 15,638	$ 104

PPP Loan

In April 2020, the Company received loan proceeds in the amount of $104 thousand under the PPP. The loans and accrued interest are forgivable after eight weeks as long as the Company uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the Company terminates employees or reduces salaries during the eight-week period. The unforgiven portion of the PPP loans is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. In June 2021, the Company repaid all outstanding amounts on the PPP loan.

Share Settlement Note

In April 2020, the Company entered into a promissory note with a former shareholder for a principal amount of $80 thousand in connection with the share settlement as discussed in Note 9—Stockholders' Equity (Deficit) below. The note accrues interest at a rate of 0.91% and is paid in monthly payments of $5 thousand until the maturity date of October 1, 2021. In March 2021, all outstanding amounts were repaid to the former shareholder.

Short-Term Loan

In January 2021, the Company entered into a short-term loan agreement with First Interstate Bank to finance the general working capital for the Company. The loan had a principal balance of $500 thousand, bears interest at 5.25% per annum and matures in April 2021. In April 2021, this loan was repaid in full.

Convertible Notes

During 2021, the Company entered into a series of identical convertible long-term notes with various parties with a maturity date of February 8, 2023 (referred to herein as the "Convertible Notes"). As of September 30, 2021, the combined total principal balance is $26,050 thousand and bears interest at 8% per annum. The Convertible Notes were accounted for at fair value with changes in fair value being recognized under Convertible Notes fair value adjustment within the income statement. The Convertible Notes have a conversion feature that triggers upon the earliest of a qualified equity financing or a qualified SPAC transaction, as defined by the agreement. Under a qualified SPAC transaction, the outstanding principal of the Convertible Notes automatically converts into a number of shares of common stock, at a conversion price equal to value of each share of common stock in the qualified SPAC transaction multiplied by 85%. The Company recognized $1,069 thousand in interest expense in connection with the Convertible Notes for the nine months ended September 30, 2021.

Agreements with Cargill Financial

In March 2021, the Company entered into a loan with Cargill Financial to finance the general working capital for the Company. This loan has a principal balance of up to $10,000 thousand and bears interest at 8% per annum with a maturity date of March 22, 2022. The lender has 25% equity warrant coverage on the loan amount. The warrant to purchase shares entitles the lender to a number of shares totaling 25% of the principal amount of the loan multiplied by 85% of the lowest cash price per share upon the earliest of a qualified equity financing, SPAC transaction, or an acquisition, as defined by the agreement. In September 2021, this loan was repaid in full and the associated warrants are still outstanding.

On September 3, 2021, the Company entered into the Cargill Loan. Under the Cargill Loan, the Company is able to borrow up to $50,000 thousand. The interest rate on the Cargill Loan is 10.5% per annum, with accrued interest on the agreement paid quarterly in arrears on the last business day of each calendar quarter, commencing the last business day of the calendar quarter ending December 31, 2021, and on the maturity date September 3, 2028. A total of $16,293 thousand was outstanding on the Cargill Loan as of September 30, 2021.

On September 3, 2021, the Company also entered into a Credit Agreement with Cargill Financial whereby Cargill Financial agreed to make advances to the Company of up to $150,000 thousand. The interest rate on this loan will be equal to the LIBOR rate plus the Applicable Margin. The maturity date of this loan will be on September 3, 2028. This loan cannot be drawn until the Company closes the SPAC transaction.

8. Fair Value Measurements

The following table sets forth, by level within the fair value hierarchy, the accounting of the Company's financial assets and liabilities at fair value on a recurring and nonrecurring basis according to the valuation techniques the Company uses to determine their fair value (in thousands):

	As of September 30, 2021		
	Level 1	Level 2	Level 3
Recurring fair value measurments			
Assets:			
Money market funds	$10,372	$ —	$ —
Total	$10,372	$ —	$ —
Liabilities:			
Convertible notes	$ —	$ —	$31,117
Warrant liability	$ —	$ —	$ 1,425
Total	$ —	$ —	$32,542

As of September 30, 2021, and December 31, 2020, the carrying value of all other financial assets and liabilities approximated their respective fair values.

As of September 30, 2021, the Company measured its warrants and Convertible Notes at fair value based on significant inputs not observable in the market, resulting in them being classified as Level 3 measurements within the fair value hierarchy. Changes in the fair value of the warrants related to updated assumptions and estimates were recognized as a warrant liability fair value adjustment within the unaudited condensed consolidated statements of operations.

The fair value of the Company was determined utilizing both income and market approaches which were weighted equally in the valuation. The fair value of the Company was then allocated to the warrants utilizing an option pricing methodology ("OPM"), estimating the probability weighted value across multiple scenarios. Guideline public company multiples were used to value the Company under certain scenarios. The discounted cash flow method was used to value the Company under the other scenarios. Share value for each class of security was based upon the probability-weighted present value of expected future investment returns, considering each of these possible future outcomes, as well as the rights of each share class.

The significant unobservable inputs into the valuation model used to estimate the fair value of the redeemable convertible common stock warrants include:

- the timing of potential events (including, but not limited to, an initial public offering or SPAC transaction) and their probability of occurring,
- the selection of guideline public company multiples,
- a discount for the lack of marketability of the common stock,
- the projected future cash flows, and
- the discount rate used to calculate the present value of the estimated equity value allocated to each share class.

The Company calculated the estimated fair value of the Convertible Notes on the date of issuance and at each subsequent reporting date. The Company used the following assumptions as of September 30, 2021:

Nine months ended September 30,	2021
Implied Yield	25.2% - 29.6%
Time from Valuation to Maturity (Years)	1.36
Time from Valuation to SPAC Merger (Years)	0.13
Time from Valuation to Qualified Financing (Years)	0.83

The Company calculated the estimated fair value of the warrants on the date of issuance and at each subsequent reporting date using the following assumptions:

Nine months ended September 30,	2021
Risk Free Rate	1.00% - 1.12%
Warrant Term (Years)	5.00
Dividend Yield	0.00%
Class Volatility	50.00%
Time to Issuance (Years)	0.13 - 0.83

The following table presents changes in the Level 3 fair value measurement for the Convertible Notes and warrant liability on a recurring basis (in thousands):

	For the nine months ended September 30, 2021	
	Convertible Notes	Warrant Liability
Balance as of December 31, 2020	$ —	$ —
Additions	26,050	1,415
Fair value measurement adjustments	5,067	10
Balance as of September 30, 2021	$ 31,117	$ 1,425

As of September 30, 2021, the Company had no transfers between levels of the fair value hierarchy of its liabilities measured at fair value.

9. Stockholders' Equity (Deficit)

Common Stock

The rights of the holders of the voting common stock and nonvoting common stock are as follows:

- *Voting Common Stock*—Each holder of common stock is entitled to one vote for each share of common stock held.
- *Nonvoting Common Stock*—Each holder of nonvoting common stock is entitled to zero votes for each share of nonvoting common stock held. Holders of nonvoting common stock shall not be entitled to information rights, or rights to dividends or other distributions, until immediately prior to a liquidation event. See Note 10 - Stock-Based Compensation below for further discussion on nonvoting common stock.

Transactions Related to Common Stock

In December 2019, the Company entered into a settlement agreement to repurchase all of the remaining unvested restricted shares from a former shareholder subject to the stock restriction agreement (See Note 10 – Stock Based Compensation) for a total of $149 thousand with amounts being held in escrow. In April 2020, the Company entered into a settlement agreement for the repurchase of all the shares from the former shareholder, including the vested and unvested restricted shares and the remaining unrestricted shares not subject to vesting conditions. As part of the settlement agreement for the repurchase of all the restricted and unrestricted shares, the Company paid the former shareholder a total of $80 thousand in cash and entered into a $80 thousand term note. See Note 7—Debt above for further details.

10. Stock-based Compensation

In 2020, the Company adopted an Equity Incentive Plan (the "Plan") pursuant to which the Company's Board of Directors may grant stock awards to employees and service providers. According to the Plan, incentive stock options may only be granted to eligible employees. Non-statutory stock options, stock appreciation rights, restricted stock, restricted stock units and change in control restricted stock may be granted to service providers. A total of 2,250,000 shares of nonvoting common stock may be issued. In March 2021, the Plan was amended to adjust the total number of shares of nonvoting common stock issuable to 2,219,724. In June 2021, the Plan was further amended to adjust the total number of shares of nonvoting common stock issuable to 2,270,697. In September 2021, the Plan was further amended to adjust the total number of shares of nonvoting common stock issuable to 2,088,653. No additional shares remain available for grant under the Plan.

Change in Control Restricted Stock

In 2020, the Company granted 1,799,811 Change in Control Restricted Stock ("CIC Restricted Stock") to certain employees and directors that vest upon either a Change in Control or Qualified Public Offering, as defined by the respective CIC Restricted Stock agreement. The grant date fair value was based upon a Common Stock value of approximately $6.31. The Company determined the fair value of common stock at each grant date using an interpolation model based on qualitative and quantitative factors between two known transaction dates.

During the first quarter of 2021, the Company granted an additional 419,913 shares of CIC Restricted Stock to certain employees and directors that vest upon a either a Change in Control or Qualified Public Offering, as defined by the respective CIC Restricted Stock agreement. The average grant date fair value was based upon a Common Stock value of approximately $13.26. The Company determined the fair value of common stock at each grant date using an interpolation model based on qualitative and quantitative factors between two known transaction dates.

During the second quarter of 2021, the Company granted an additional 50,973 shares of CIC Restricted Stock Units to a board member that vest upon a either a Change in Control or Qualified Public Offering, as defined by the respective CIC Restricted Stock agreement. The average grant date fair value was based upon a Common Stock value of approximately $29.40. The Company determined the fair value of common stock at each grant date using an interpolation model based on qualitative and quantitative factors between two known transaction dates.

During the third quarter of 2021, 182,044 CIC Restricted Stock shares were forfeited. As of September 2021, the conditions for vesting for all 2,088,653 CIC Restricted Stock shares have not been met. As such, the Company has not recognized stock compensation expense related to the CIC Restricted Stock. As of September 30, 2021, unrecognized compensation expense related to non-vested CIC Restricted Shares was $17,484 thousand.

Stock Restriction Agreements

On June 27, 2019, the Company entered into stock restriction agreements with two stockholders of the Company, whereby certain vesting restrictions were imposed on the stockholders' shares as a condition to a third-party investor's requirement to invest in the Company at a cash purchase price of approximately $19.67 per share. Under the stock restriction agreements, the Company has the exclusive option to repurchase all or any portion of the restricted shares held by the stockholders which have not vested upon termination of their services. The restricted shares are released from the Company's option to repurchase in twelve quarterly installments. In April 2020, the Company entered into a settlement agreement for the repurchase of all the shares from one of the stockholders, as discussed in Note 9—Stockholders' Equity (Deficit). The grant date fair value of the restricted shares was deemed to be the price per share as determined in the contemporaneous issuance of common stock.

Compensation expense recorded for the nine months ended September 30, 2021 was $4,942 thousand. Compensation expense recorded for the nine months ended September 30, 2020 was $2,470 thousand. In March 2021, the Company terminated the stock restriction agreement with the remaining stockholders and recognized all remaining unvested compensation expense during the first quarter of 2021.

11. Revenue

Nature of Revenues

Substantially all of the Company's revenue from contracts with customers consists of the sale of sustainably grown fresh greens and herbs in the United States and is recognized at a point in time in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Customers issue purchase orders in advance and the produce is either picked up at the Company's CEA facility or delivered to grocery stores by the Company. Each purchase order that is fulfilled by the Company represents a distinct performance obligation.

All sales are recorded within revenue in the accompanying condensed consolidated statements of operations. The Company recognized $324 thousand in revenue for the nine months ended September 30, 2021. The Company recognized $39 thousand in revenue for the nine months ended September 30, 2020. The Company did not have contract assets or contract liabilities as of September 30, 2021 and December 31, 2020.

Significant Judgments

Generally, the Company's contracts with customers comprise a customer purchase order and are governed by industry fair trade practices. In certain instances, it may be further supplemented by separate pricing agreements. All products are sold on a standalone basis; therefore, when more than one product is included in a purchase order, the Company has observable evidence of stand-alone selling price. Contracts do not contain a significant financing component as payment terms on invoiced amounts are typically between 10 to 20 days. Product returns were not significant for the nine months ended September 30, 2021 and 2020, respectively.

12. Income Taxes

The Company's effective income tax rate was 0% for the nine months ended September 30, 2021 and 2020. The variance from the U.S. federal statutory rate of 21% for the nine months ended September 30, 2021 and 2020 was primarily attributable to a change in the Company's valuation allowance. The Company's income tax provision is impacted by a valuation allowance on the Company's net deferred tax assets, net of reversing taxable temporary differences and considering future annual limitations on net operating loss carryforward utilization enacted by U.S. tax reform legislation. The Company maintains a valuation allowance on its net deferred tax assets for all periods presented as the Company cannot be certain that future taxable income will be sufficient to realize its deferred tax assets.

Valuation allowances are provided against deferred tax assets when, based on all available evidence, it is considered more likely than not that some portion or all the recorded deferred tax assets will not be realized in future periods. In addition, there was no income tax expense recognized for the nine months ended September 30, 2021 and 2020.

13. Net Loss Per Share

Net loss per share is computed by dividing net loss by the weighted average number of common stock outstanding during the period. In computing earnings per share, the Company's nonvoting stock, warrants and Convertible Notes are not considered participating securities. Diluted loss per common share is the same as basic loss per common share for all periods presented because the effects of potentially dilutive items were anti-dilutive given the Company's net loss. Diluted net loss per common share adjusts basic net loss per share attributable to ordinary shareholders to give effect to all potential ordinary shares that were dilutive and outstanding during the period. For the nine months ended September 30, 2021 and 2020, no instrument was determined to have a dilutive effect.

The following table sets forth the computation of the Company's net loss per share attributable to stockholders (amounts in thousands, except share and per share amounts):

	For the nine months ended September 30,	
	2021	2020
Net loss	$ (27,822)	$ (5,028)
Weighted average common stock outstanding, basic and diluted	9,886,283	10,033,298
Net loss per common share, basic and diluted	$ (2.81)	$ (0.50)

The following table discloses the weighted-average shares outstanding of securities that could potentially dilute basic net loss per share in the future that were not included in the computation of diluted net loss per share as the impact would be anti-dilutive:

	For the nine months ended September 30,	
	2021	2020
CIC Restricted Stock	2,121,825	—
Convertible notes	445,701	—
Warrants	42,094	—

14. Related Party Transactions

BrightMark Partners LLC Management Services Agreement

In August 2018, the Company entered into a management services agreement with BrightMark Partners LLC ("BrightMark"), a related party, for certain management services including management, business, operational, strategic, and advisory services. Under the agreement, management services will be provided for an initial term of three years that automatically renews for an additional one-year term. As consideration for the management services, the Company pays $40 thousand, including costs and expenses incurred by BrightMark on behalf of Local Bounti, as reasonably determined by both parties on a monthly basis. In March 2021, the Company and BrightMark terminated the management services agreement.

The Company incurred management fees $120 thousand and $489 thousand for the nine months ended September 30, 2021 and 2020, respectively.

Accrued liabilities—related party represent amounts owed to BrightMark related to the management services agreement and were $0 and $833 thousand as of September 30, 2021 and December 31, 2020, respectively.

Grow Bitterroot Sale Lease Back Transaction & Property Maintenance and Management Services Agreement

In June 2020, the Company completed the construction of and sold the Montana Facility to Grow Bitterroot, LLC ("Grow Bitterroot"), a related party, for a total consideration of $6,885 thousand. Concurrently, the Company and Grow Bitterroot entered into an agreement, whereby the Company will lease land and greenhouse buildings at the Montana Facility from Grow Bitterroot. The transaction did not qualify for sale leaseback accounting due to the finance leaseback classification prohibiting sale accounting. As such, the transaction is accounted for as a financing transaction (a failed sale). In addition, the Company and Grow Bitterroot entered into a property maintenance and management services agreement under which the Company will provide all property maintenance and management services including business, operational, strategic and advisory services in exchange for an annual fee of $50 thousand. The property maintenance and management services agreement includes an initial term of three years with one year autorenewals unless terminated by either party with 30 days' notice.

15. Subsequent Events

SPAC Transaction

On June 17, 2021, the Company entered into a business combination agreement to merge with Leo and certain other affiliated entities through a series of transactions (the "Business Combination"). The Business Combination is subject to approval by the stockholders of Leo and the Company and other customary closing conditions. The Business Combination is anticipated to be accounted for as a reverse capitalization in accordance with GAAP. In connection with the Business Combination, a subscription agreement was entered into between Leo and various investors for proceeds of $125,000 thousand (the "PIPE Investment"). The PIPE Investment is conditioned upon the closing of the Business Combination. The proceeds of the PIPE Investment, together with the amounts remaining in Leo's trust account following the closing of the Business Combination, will be retained by the post-combination business.

On November 4, 2021, Leo entered into subscription agreements with certain additional investors (the "PIPE Investors") on substantially similar terms as the initial subscription agreements, pursuant to which the additional PIPE Investors agreed to purchase, and Leo agreed to issue and sell to the additional PIPE Investors, an aggregate of 2,500,000 shares of New Local Bounti Common Stock. The purchase price for the additional shares will be $10.00 per share, for a maximum aggregate purchase price of $25,000 thousand (the "Additional PIPE Investment"). The Additional PIPE Investment will close concurrently with the initial PIPE Investment. The PIPE Investment combined with the Additional PIPE Investment will total an aggregate of 15,000,000 shares of New Local Bounti Common Stock for a purchase price of $150,000 thousand, of which $750 thousand were advanced to the Company prior to close on November 18, 2021.

At the close of the transaction on November 19, 2021, approximately $100,000 thousand was transferred to Local Bounti to fund operations.

Hamilton, MT Land Purchase

In October 2021, the Company purchased a 20-acre parcel of land adjacent to the existing Montana Facility for $450 thousand. The Company intends to use this parcel to provide office space to support employees working in Hamilton.

Restricted Stock Unit Grant

In November 2021, the Company granted certain employees an additional 452,848 time-vested restricted stock units. These restricted share units will vest over a four-year period.

SELECTED HISTORICAL FINANCIAL INFORMATION OF LOCAL BOUNTI

Local Bounti's selected historical consolidated statements of operations and cash flows information for the years ended December 31, 2020 and 2019, and its selected historical consolidated balance sheet information as of December 31, 2020 and 2019 are derived from Local Bounti's audited financial statements included elsewhere in this Form 8-K. Local Bounti's selected historical statements of operations and cash flows information for the nine months ended September 30, 2021 and 2020 and its selected historical balance sheet information as of September 30, 2021 are derived from Local Bounti's unaudited interim financial statements included elsewhere in this Form 8-K.

The selected historical consolidated information in this section should be read in conjunction with each of Local Bounti's financial statements and related notes and "*Local Bounti's Management's Discussion and Analysis of Financial Condition and Results of Operations*" contained elsewhere herein. The historical results included below and elsewhere in this Form 8-K are not indicative of the future performance of Local Bounti following the Business Combination.

(in thousands, except per share information)	For nine months ended September 30, 2021 (Unaudited)	For nine months ended September 30, 2020 (Unaudited)	For the years ended December 31, 2020	For the years ended December 31, 2019
Statement of Operations Information:				
Total revenue	$ 324	$ 39	$ 82	$ —
Net loss	(27,822)	(5,028)	(8,409)	(3,406)
Net loss per share attributable to ordinary shareholders, basic and diluted	(2.81)	(0.50)	(0.84)	(0.35)
Statement of Cash Flows Information:				
Net cash used in operating activities	$ (15,280)	$ (3,647)	$(3,838)	$(1,119)
Net cash used in investing activities	(14,193)	(3,723)	(3,422)	(3,743)
Net cash provided by financing activities	44,220	5,315	5,168	6,999

(in thousands)	As of September 30, 2021 (Unaudited)	As of December 31, 2020	As of December 31, 2019
Balance Sheet Information:			
Total assets	$ 43,600	$ 9,102	$5,888
Total liabilities	69,051	11,673	3,334
Total shareholders' equity (deficit)	(25,451)	(2,571)	2,554

COMPARATIVE PER SHARE DATA

The following table sets forth selected historical comparative share information for Leo and Local Bounti and unaudited pro forma combined per share information of the post-combination business after giving effect to the Business Combination.

The unaudited pro forma combined book value per share information reflects the Business Combination as if it had occurred on September 30, 2021. The weighted average shares outstanding and net loss per share information give pro forma effect to the Business Combination as if it had occurred on January 1, 2020.

This information is only a summary and should be read together with the selected historical financial information included elsewhere in this Form 8-K and the unaudited or audited, as applicable, financial statements of Leo and Local Bounti and related notes that are included elsewhere in this Form 8-K. The unaudited pro forma combined per share information of Leo and Local Bounti is derived from, and should be read in conjunction with, the unaudited pro forma condensed combined financial information and related notes included elsewhere in this Form 8-K.

The unaudited pro forma combined earnings per share information below does not purport to represent the earnings per share which would have occurred had the companies been combined during the periods presented, nor the earnings per share for any future date or period. The unaudited pro forma combined book value per share information below does not purport to represent what the value of Leo and Local Bounti would have been had the companies been combined during the periods presented.

	LEO (Historical) (1)	Local Bounti (Historical)	Pro Forma Combined
As of and for the Nine Months Ended September 30, 2021			
Book value per share (2)	$ (0.59)	$ (2.57)	$ 1.58
Net loss per share attributable to ordinary shareholders, basic and diluted	$ (0.03)	$ (2.81)	$ (0.26)
Weighted average ordinary shares outstanding, basic and diluted	29,608,886	9,886,283	89,268,201
Basic and diluted net income per redeemable share	$ (0.03)		
Weighted average redeemable shares outstanding, basic and diluted	—		

	LEO (Historical) (1)	Local Bounti (Historical)	Pro Forma Combined
As of and for the Year Ended December 31, 2020			
Net loss per share attributable to ordinary shareholders, basic and diluted	$ —	$ (0.84)	$ (0.28)
Weighted average ordinary shares outstanding, basic and diluted	—	9,997,049	89,268,201
Basic and diluted net income per redeemable share	—		
Weighted average redeemable shares outstanding, basic and diluted	$ —		
Basic and diluted net loss per non-redeemable share	—		
Weighted average non-redeemable shares outstanding, basic and diluted	$ —		

(1) Leo was incorporated on January 8, 2021 and therefore did not have any operations or historical financial information for the year ended December 31, 2020

(2) Book value per share = Total equity/shares outstanding.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Defined terms included below shall have the same meaning as terms defined and included elsewhere in this Form 8-K.

Introduction

New Local Bounti is providing the following unaudited pro forma condensed combined financial information to aid in the analysis of the financial aspects of the Business Combination. The following unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses."

Leo is a blank check company incorporated on January 8, 2021 as a Cayman Islands exempted company for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses. On March 2, 2021, Leo consummated an initial public offering of 27,500,000 units at an offering price of $10.00 per Unit, including the partial exercise of the underwriter's option to purchase an additional 3,500,000 units at the initial public offering price to cover over- allotments, and a private placement with the Sponsor of 5,333,333 private placement warrants at a price of $1.50 per warrant. The net proceeds from the initial public offering, together with certain of the proceeds from the private placement completed simultaneously with our initial public offering, were placed in a trust account established for the benefit of the Leo's public shareholders and the underwriters of the initial public offering. As of September 30, 2021, there was approximately $275.0 million held in the trust account.

Local Bounti is a producer of sustainably grown living lettuce, herbs and loose leaf lettuce. Local Bounti is a CEA company that utilizes patent pending Stack & Flow Technology™, which is a hybrid of vertical farming and hydroponic greenhouse farming, to grow healthy food sustainably and affordably. Through its CEA process, it is Local Bounti's goal to produce products in an environmentally sustainable manner that will increase harvest efficiency, limit water usage and reduce the carbon footprint of the production and distribution process. The environmental greenhouse conditions help to ensure nutritional value and taste, and the products are non-GMO and pesticide and herbicide free. Local Bounti's products use 90% less water and 90% less land than conventional agriculture to produce. Local Bounti's first CEA facility in Hamilton, Montana commenced construction in 2019 and reached full commercial operation by the second half of 2020.

On June 17, 2021, Leo, Merger Sub 1, Merger Sub 2 and Local Bounti entered into the Merger Agreement for the Business Combination, which provides for a total consideration of $650.0 million to Local Bounti's stockholders, as discussed elsewhere in this Form 8-K. As a part of the Business Combination, Merger Sub 1 will merge with and into Local Bounti. Local Bounti will then merge with and into Merger Sub 2 and Merger Sub 2 will be the surviving corporation in the Business Combination. As a result, Local Bounti will become a wholly owned subsidiary of Leo and will change its name to "Local Bounti Corporation."

On June 17, 2021, Leo entered into the Subscription Agreements with the PIPE Investors for the PIPE Financing for the purpose of funding a portion of the Business Combination and the costs and expenses incurred therein. Pursuant to the Subscription Agreement, New Local Bounti agreed to issue and sell to the PIPE Investors 12,500,000 shares of New Local Bounti common stock at a price of $10.00 per share for an aggregate gross purchase price of $125.0 million.

On November 4, 2021, the Subscription Agreements with the PIPE Investors for the PIPE Financing increased by 2.5 million shares, from 12.5 million to 15.0 million shares for a total aggregate gross purchase price of $150.0 million.

The following unaudited pro forma condensed combined balance sheet as of September 30, 2021 assumes

that the Business Combination and PIPE Financing occurred on September 30, 2021. The unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2021 and for the year ended December 31, 2020 present the pro forma effect to the Business Combination and PIPE Financing as if they had been completed on January 1, 2020.

The pro forma combined financial statements do not necessarily reflect what New Local Bounti's financial condition or results of operations would have been had the Business Combination and PIPE Financing occurred on the dates indicated. The pro forma combined financial information also may not be useful in predicting the future financial condition and results of operations of New Local Bounti. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

The historical financial information of Leo and Local Bounti were derived from the unaudited financial statements of Leo and Local Bounti as of and for the nine months ended September 30, 2021, and the audited financial statements of Local Bounti as of and for the year ended December 31, 2020, which are incorporated by reference. This information should be read together with Leo's and Local Bounti's audited financial statements and related notes, the sections titled "*Leo's Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Local Bounti's Management's Discussion and Analysis of Financial Condition and Results of Operations*," and other financial information included elsewhere in this Form 8-K.

The Business Combination is accounted for as a reverse capitalization, with no goodwill or other intangible assets recorded, in accordance with U.S. GAAP. Local Bounti has been determined to be the accounting acquirer and Leo has been determined to be the "acquired" company based on evaluation of the following facts and circumstances:

- Local Bounti comprising the ongoing operations of the Combined Company;
- Local Bounti's senior management comprising the senior management of the Combined Company; and
- Local Bounti stockholders will have the largest voting interest in the post-combination Combined Company.

Under this method of accounting, Leo will be treated as the "acquired" company for financial reporting purposes. Accordingly, for accounting purposes, the Business Combination will be treated as the equivalent of New Local Bounti issuing shares for the net assets of Leo, accompanied by a recapitalization. The net assets of Leo will be stated at historical cost, with no goodwill or other intangible assets recorded.

Description of the Business Combination

Pursuant to the Business Combination, the aggregate share consideration issued by New Local Bounti in the Business Combination will be $892.7 million, consisting of 89,268,201 shares of newly issued New Local Bounti Common Shares valued at $10.00 per share. Of the $892.7 million, the public shareholders will receive $17.0 million in the form of 1,701,281 newly issued shares of New Local Bounti Common Stock in the Domestication, the initial shareholders will receive $68.8 million in the form of 6,875,000 newly issued shares of New Local Bounti Common Stock in the Domestication, the PIPE Investors will receive $150.0 million in the form of 15,000,000 newly issued shares of New Local Bounti Common Stock in the Domestication, the Local Bounti Securityholders will receive $624.7 million in the form of 62,467,852 newly issued shares of New Local Bounti Common Stock and the holders of Convertible Notes will receive $32.2 million in the form of 3,224,068 newly issued shares of New Local Bounti Common Stock. The following represents the consideration at Closing (in thousands):

Shares of New Local Bounti Common Stock issued to public shareholders[1]	$ 17,013
Shares of New Local Bounti Common Stock issued to Leo Initial Shareholders[2]	68,750
Shares of New Local Bounti Common Stock issued to PIPE Investors	150,000
Shares of New Local Bounti Common Stock issued to Local Bounti Securityholders	624,679
Shares of New Local Bounti Common Stock Issued to Convertible Notes	32,241
Shares Consideration – at Closing	$892,683

(1) Excludes 5,500,000 in warrants exercised at $11.50 per share
(2) Excludes 5,333,333 in warrants exercised at $11.50 per share

The value of share consideration issuable at the Closing is assumed to be $10.00 per share. The Business Combination is accounted for as a reverse recapitalization, therefore any change in New Local Bounti's trading price will not impact the pro forma financial statements because New Local Bounti will account for the acquisition of Leo based upon the amount of net assets acquired upon consummation.

The following summarizes the pro forma shares of New Local Bounti Common Stock at Closing (in thousands):

	Shares	%
New Local Bounti Common Stock issued to public shareholders[1]	1,701	2%
New Local Bounti Common Stock issued to initial shareholders[2][3]	6,875	8%
New Local Bounti Common Stock issued to PIPE Investors	15,000	17%
New Local Bounti Common Stock issued to Local Bounti Stockholders (including holders of Local Bounti restricted stock units and Local Bounti Warrants)[3]	62,468	70%
New Local Bounti Common Stock issued to holders of Convertible Notes	3,224	3%
Pro Forma Common Stock at Closing	**89,268**	**100%**

(1) Excludes 5,500,000 warrants
(2) Excludes 5,333,333 warrants
(3) Excludes 2,500,000 in contingent earnout shares to be issued to Local Bounti equityholders who are entitled to receive a portion of the earnout consideration, on a pro rata basis in equal thirds, if the trading price of New Local Bounti Common Stock is greater than or equal to $13.00, $15.00 or $17.00 for any 20 trading days within any 30-trading day period, respectively. Contingent earnout shares will also accelerate and be fully issuable in connection with any Change of Control (as defined in the Merger Agreement), if the applicable thresholds are met in such Change of Control.

The following unaudited pro forma condensed combined balance sheet as of September 30, 2021 and the unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2021 and for the year ended December 31, 2020 are based on the historical financial statements of Leo and Local Bounti. The unaudited pro forma adjustments are based on information currently available, assumptions, and estimates underlying the unaudited pro forma adjustments and are described in the accompanying notes. Actual results may differ materially from the assumptions used to present the accompanying unaudited pro forma condensed combined financial information.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF September 30, 2021
(in thousands, except share and per share data)

	As of September 30, 2021							As of September 30, 2021
	LEO (Historical) (US GAAP)	Local Bounti (Historical) (US GAAP)	Local Bounti Transaction Adjustments	Local Bounti As Adjusted	Combined	Transaction Adjustments		Pro Forma New Local Bounti Combined
Assets								
Current Assets								
Cash and cash equivalents	$ 189	$ 10,376	$ —	$10,376	$ 10,565	$ 275,014	(A)	$ 111,942
						(33,852)	(B)	
						150,000	(C)	
						(4,000)	(D)	
						(451)	(E)	
						(26)	(F)	
						(27,321)	(G)	
						(257,987)	(R)	
Restricted cash	—	4,416		4,416	4,416	—		4,416
Accounts receivable, net of allowance	—	92		92	92	—		92
Accounts receivable - related party	—	16		16	16	—		16
Inventory, net of allowance	—	630		630	630	—		630
Prepaid expenses and other current assets	771	984		984	1,755	—		1,755
Prepaid professional fees	—	4,439		4,439	4,439	(4,439)	(B)	—
Total Current Assets	**960**	**20,953**	**—**	**20,953**	**21,913**	**96,938**		**118,851**
Property and equipment, net	—	22,224	—	22,224	22,224	—		22,224
Cash held in Trust Account	275,014	—	—	—	275,014	(275,014)	(A)	—
Other assets, net	—	423	—	423	423	—		423
Total Assets	**$ 275,974**	**$ 43,600**	**$ —**	**$43,600**	**$319,574**	**$ (178,076)**		**$ 141,498**
Liabilities, Temporary Equity and Shareholders' equity								
Current Liabilities								
Accounts payable	$ —	$ 1,850	$ —	$ 1,850	$ 1,850	$ —		1,850
Accrued liabilities	451	6,277		6,277	6,728	(1,069)	(H)	4,738
						(470)	(B)	
						(451)	(E)	
Accounts payable - related party	26	—	—	—	26	(26)	(F)	—
Total Current Liabilities	**477**	**8,127**	**—**	**8,127**	**8,604**	**(2,016)**		**6,588**
Deferred underwriting commissions	9,625	—	—	—	9,625	(9,625)	(B)	—
Long-term debt	—	15,638		15,638	15,638	—		15,638
Financing obligation	—	12,744	—	12,744	12,744	—		12,744
Warrant liabilities	8,342	1,425	—	1,425	9,767	(8,342)	(I)	—
						(1,415)	(J)	
						(10)	(K)	
Convertible Notes	—	31,117	—	31,117	31,117	(31,117)	(L)	—
Total Liabilities	**18,444**	**69,051**	**—**	**69,051**	**87,495**	**(52,525)**		**34,970**

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF September 30, 2021 — (Continued)
(in thousands, except share and per share data)

	As of September 30, 2021							As of September 30, 2021
	LEO (Historical) (US GAAP)	Local Bounti (Historical) (US GAAP)	Local Bounti Transaction Adjustments	Local Bounti As Adjusted	Combined	Transaction Adjustments		Pro Forma New Local Bounti Combined
Temporary Equity								
Class A common stock subject to possible redemption	275,000	—	—	—	275,000	(275,000)	(M)	—
Shareholders' Equity								
New Local Bounti ordinary shares	—	—	—	—	—	—		—
Local Bounti Voting common stock	—	1	—	1	1	2	(C)	2
						(1)	(N)	
LEO Class A ordinary shares	—	—	—	—	—	-	(O)	—
LEO Class B ordinary shares	1	—	—	—	1	(1)	(P)	—
Additional paid in capital	—	14,519	—	14,519	14,519	(22,904)	(B)	155,834
						149,998	(C)	
						8,342	(I)	
						1,415	(J)	
						32,241	(L)	
						275,000	(M)	
						1	(N)	
						—	(O)	
						1	(P)	
						(27,321)	(G)	
						(257,987)	(R)	
						(17,471)	(Q)	
Retained earnings (accumulated deficit)	(17,471)	(39,971)	—	(39,971)	(57,442)	(4,000)	(D)	(49,308)
						1,069	(H)	
						(1,124)	(L)	
						(5,292)	(B)	
						10	(K)	
						17,471	(Q)	
Total Shareholders' Equity	**(17,470)**	**(25,451)**	**—**	**(25,451)**	**(42,921)**	**149,449**		**106,528**
Total Liabilities, Temporary Equity and Shareholders' Equity	**$ 275,974**	**$ 43,600**	**$ —**	**$ 43,600**	**$319,574**	**$ (178,076)**		**$ 141,498**

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(in thousands, except share and per share data)

	For the nine months ended September 30, 2021					For the nine months ended September 30, 2021
	LEO (Historical) (US GAAP)	Local Bounti (Historical) (US GAAP)	Combined	Transaction Adjustments		Pro Forma New Local Bounti
	(in thousands, except share and per share data)					
Sales	$ —	$ 324	$ 324	$ —		$ 324
Cost of goods sold (exclusive of items shown separately below)	—	249	249	—		249
Gross Margin	**—**	**75**	**75**	**—**		**75**
Operating Expenses:						
Research and development	—	2,245	2,245	—		2,245
Selling, general and administrative	1,303	15,493	16,796	—		16,796
Administrative fee - related party	84	—	84	(84)	(AA)	—
Depreciation and amortization	—	392	392	—		392
Total Operating Expenses	**1,387**	**18,130**	**19,517**	**(84)**		**19,433**
Loss From Operations	**(1,387)**	**(18,055)**	**(19,442)**	**84**		**(19,358)**
Convertible Notes fair value adjustment	—	(5,067)	(5,067)	5,067	(BB)	—
Change in fair value of warrant liabilities	812	—	812	(812)	(CC)	—
Warrant liability fair value adjustment	—	(10)	(10)	10	(DD)	—
Debt extinguishment expense	—	(1,485)	(1,485)	—		(1,485)
Offering costs associated with issuance of warrants	(276)	—	(276)	276	(CC)	—
Net gain from investments held in Trust Account	14	—	14	(14)	(EE)	—
Other Income (Expense):						
Management fee income	—	62	62	—		62
Interest expense, net	—	(3,267)	(3,267)	1,069	(FF)	(2,198)
Income (Loss) Before Provision For Income Taxes	**(837)**	**(27,822)**	**(28,659)**	**5,680**		**(22,979)**
Income tax expense	—	—	—	—		—
Net Income (Loss)	**$ (837)**	**$ (27,822)**	**$ (28,659)**	**$ 5,680**		**$ (22,979)**
Weighted average Class A shares outstanding, basic and diluted	22,880,859	9,886,283				89,268,201
Basic and diluted net loss per Class A common share		$ (2.81)				$ (0.26)
Weighted average Class B shares outstanding, basic and diluted	6,728,027					
Basic and diluted net loss per Class B common share	$ (0.03)					

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2020
(in thousands, except share and per share data)

	Year ended 12/31/2020					Year ended 12/31/2020
	LEO (Historical) (US GAAP)	Local Bounti (Historical) (US GAAP)	Combined	Transaction Adjustments		Pro Forma New Local Bounti
	(in thousands, except share and per share data)					
Sales	$ —	$ 82	$ 82	$ —		$ 82
Cost of goods sold (exclusive of items shown separately below)	—	91	91	—		91
Gross loss	**—**	**(9)**	**(9)**	**—**		**(9)**
Operating expenses:						
Research and development	—	1,079	1,079	—		1,079
Selling, general and administrative	—	6,547	6,547	5,292	(GG)	15,839
	—	—	—	4,000	(HH)	
Depreciation and amortization	—	287	287	—		287
Total operating expenses	**—**	**7,913**	**7,913**	**9,292**		**17,205**
Loss from operations	**—**	**(7,922)**	**(7,922)**	**(9,292)**		**(17,214)**
Other income (expense):						
Management fee income	—	35	35	—		35
Interest expense, net	—	(522)	(522)	(7,545)	(II)	(8,067)
Income (loss) before provision for income taxes	**—**	**(8,409)**	**(8,409)**	**(16,837)**		**(25,246)**
Income tax expense	—	—	—	—		—
Net income (loss)	**$ —**	**$ (8,409)**	**$ (8,409)**	**$ (16,837)**		**$ (25,246)**
Weighted average shares outstanding, basic and diluted	—	9,997,049				89,268,201
Basic and diluted net loss per common share	$ —	$ (0.84)				$ (0.28)

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

1. Basis of Presentation

The Business Combination will be accounted for as a reverse recapitalization, with no goodwill or other intangible assets recorded, in accordance with U.S. GAAP. Under this method of accounting, Local Bounti is deemed the accounting acquirer and Leo will be treated as the "acquired" company for financial reporting purposes. This determination was primarily based on the following factors:

- Local Bounti's existing operations will comprise the ongoing operations of the Combined Company;
- Local Bounti's senior management will comprise the senior management of the Combined Company; and
- the legacy shareholders of Local Bounti will control approximately 70% of the voting shares after the Business Combination.

In accordance with guidance applicable to these circumstances, the Business Combination will be treated as the equivalent of New Local Bounti issuing shares for the net assets of Leo, accompanied by a recapitalization. The net assets of Leo will be stated at historical cost, with no goodwill or other intangible assets recorded.

The unaudited pro forma condensed combined balance sheet as of September 30, 2021 gives effect to the Business Combination and PIPE Financing as if it occurred on September 30, 2021 and assumes no rights to dissent provided by the Cayman Companies Act are exercised by Leo shareholders. The unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2021 and for the year ended December 31, 2020 present pro forma effect to the Business Combination and PIPE Financing.

The unaudited pro forma condensed combined balance sheet as of September 30, 2021 has been prepared using and should be read in conjunction with Leo's unaudited balance sheet as of September 30, 2021, and the related notes, incorporated by reference, and Local Bounti's unaudited consolidated balance sheet as of September 30, 2021, and the related notes, included elsewhere in this Form 8-K.

The unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2021 should be read in conjunction with Leo's unaudited statement of operations for the period of inception through September 30, 2021, and the related notes, incorporated by reference, and Local Bounti's unaudited statement of operations for the nine months ended September 30, 2021, and related notes, included in this Form 8-K. The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2020 should be read in conjunction with Local Bounti's audited consolidated statement of operations for the year ended December 31, 2020, respectively, and the related notes, incorporated by reference. Leo was incorporated on January 8, 2021 and therefore did not have any operations or historical financial information during the year ended December 31, 2020.

Management has made significant estimates and assumptions in its determination of the pro forma adjustments. As the unaudited pro forma condensed combined financial information has been prepared based on these preliminary estimates, the final amounts recorded may differ materially from the information presented.

The unaudited pro forma condensed combined financial information does not give effect to any anticipated synergies, operating efficiencies, tax savings, or cost savings that may be associated with the Business Combination.

The unaudited pro forma condensed combined financial information assumes that New Local Bounti warrants to be issued to Leo warrant holders upon completion of the reverse capitalization will be treated as equity classified instruments.

The unaudited pro forma condensed combined financial information does not reflect the income tax effects of the pro forma adjustments as any change in the deferred tax balance would be offset by an increase in the valuation allowance given that Local Bounti incurred significant losses during the historical periods presented.

The pro forma adjustments reflecting the consummation of the Business Combination and PIPE Financing are based on certain currently available information and certain assumptions and methodologies that New Local Bounti believes are reasonable under the circumstances. The unaudited condensed pro forma adjustments, which are described in the accompanying notes, may be revised as additional information becomes available and is evaluated. Therefore, it is likely that the actual adjustments will differ from the pro forma adjustments and it is possible the difference may be material. New Local Bounti believes that its assumptions and methodologies provide a reasonable basis for presenting all of the significant effects of the Business Combination based on information available to management at the time and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information is not necessarily indicative of what the actual results of operations and financial position would have been had the Business Combination and PIPE Financing taken place on the dates indicated, nor are they indicative of the future consolidated results of operations or financial position of the Combined Company. They should be read in conjunction with the audited and unaudited financial statements, and notes thereto, of Leo and Local Bounti included elsewhere in this Form 8-K or are incorporated by reference.

2. Accounting Policies

Upon consummation of the Business Combination, management will perform a comprehensive review of the two entities' accounting policies. As a result of the review, management may identify differences between the accounting policies of the two entities which, when conformed, could have a material impact on the financial statements of the Combined Company. Based on its initial analysis, management did not identify any differences that would have a material impact on the unaudited pro forma condensed combined financial information. As a result, the unaudited pro forma condensed combined financial information does not assume any differences in accounting policies.

3. Adjustments to Unaudited Pro Forma Condensed Combined Financial Information

The unaudited pro forma condensed combined financial information has been prepared to illustrate the effect of the Business Combination and has been prepared for informational purposes only.

The following unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses." Release No. 33-10786 replaces the existing pro forma adjustment criteria with simplified requirements to depict the accounting for the transaction ("Transaction Accounting Adjustments") and present the reasonably estimable synergies and other transaction effects that have occurred or are reasonably expected to occur ("Management's Adjustments"). The Combined Company has elected not to present Management's Adjustments and will only be presenting Transaction Accounting Adjustments in the following unaudited pro forma condensed combined financial information.

The pro forma combined provision for income taxes does not necessarily reflect the amounts that would have resulted had the Combined Company filed consolidated income tax returns during the periods presented.

The pro forma basic and diluted earnings per share amounts presented in the unaudited pro forma condensed combined statement of operations are based upon the number of the Combined Company's shares outstanding, assuming the Business Combination occurred on January 1, 2020.

Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet

The adjustments included in the unaudited pro forma condensed combined balance sheet as of September 30, 2021 are as follows:

(A) Reflects the reclassification of $275.0 million of cash and investments held in the Leo trust account that becomes available to fund the Business Combination.

(B) Reflects the payment of transactions costs, including deferred underwriter's fees during Leo's initial public offering, expected to be incurred in connection with the Business Combination.

(C) Reflects the issuance of 15,000,000 shares of New Local Bounti Common Stock at a subscription price of $10.00 per share for proceeds of $150.0 million, net of issuance costs of $2.3 million in connection with the PIPE Financing, pursuant to the Subscription Agreements which is included in the transaction costs discussed in **(B)** above.

(D) Reflects the payment of $4.0 million of transaction bonuses to be paid to certain Local Bounti employees as part of the Business Combination with an offset to retained earnings.

(E) Reflects the payment of accrued expense for items that are settled with cash as part of the Business Combination.

(F) Reflects the payment of related party accounts payable for items that are settled with cash as part of the Business Combination.

(G) Represents cash consideration to be paid to legacy Local Bounti equity holders as part of the Business Combination.

(H) Reverse Local Bounti Convertible Notes interest expense as part of the transaction

(I) Reflects the exchange of public warrants, which are liability classified, for an equivalent amount of public warrants following the Domestication, which are expected to be equity classified, upon consummation of the Business Combination. The unaudited pro forma condensed combined balance sheet reflects this reclassification as a decrease in warrant liabilities and a corresponding increase in New Local Bounti's additional paid-in capital.

(J) Reflects the reversal of Local Bounti warrant liabilities which will be converted as part of the Business Combination.

(K) Reflects the reversal of a fair value adjustment of Local Bounti warrant liabilities which will be converted as part of the Business Combination.

(L) Reflects the settlement of the Convertible Notes at close at $10.00 per share. During the first half of 2021, Local Bounti entered into a series of identical long-term notes with various parties with a maturity date of February 8, 2023. The combined total face value of the convertible notes is $26.1 million and bears interest at 8% per annum. The Convertible Notes contain an automatic conversion feature at a specified conversion price in the event of a merger or a qualified equity financing. In the event of a merger with a SPAC, the outstanding principal balance of the notes, and unpaid accrued interest thereon, will convert into equity securities issued by the SPAC in the PIPE at a conversion price per share equal to the purchase price for each equity securities issued in the PIPE multiplied by 85%. As part of the settlement, $1.1 million of interest expense was recorded through the nine months ended September 30, 2021.

(M) Reflects reclassification of approximately $275.0 million from temporary equity to permanent equity as a result of the Business Combination, subject to possible redemption which is discussed in Note **(R)** below.

(N) Reflects the conversion of Local Bounti voting common stock, non-voting common stock and restricted stock units into shares of New Local Bounti Common Stock pursuant to the Business Combination, based on the Exchange Ratio, which is expected to be approximately 4.969669.

(O) Reflects the conversion of Leo Class A ordinary shares into shares of New Local Bounti Common Stock pursuant to the Business Combination.

(P) Reflects the conversion of Leo Class B ordinary shares into shares of New Local Bounti Common Stock pursuant to the Business Combination.

(Q) Reflects the elimination of Leo historical retained earnings as a result of the reverse recapitalization.

(R) Reflects the actual redemption of 25,798,719 ordinary shares for approximately $258.0 million allocated to ordinary shares and additional paid-in capital using par value of $0.0001 per share and at a redemption price of $10.00 per share.

Adjustments to Unaudited Pro Forma Condensed Combined Statements of Operations

The pro forma adjustments included in the unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2021 and for the year ended December 31, 2020 are as follows:

(AA) Reflects the elimination of related party administrative fee of Leo related to the Business Combination.

(BB) Reflects the fair value adjustment for Convertible Notes that are repaid as part of the Business Combination.

(CC) Reflects the reversal of the historical fair value adjustment, as well as warrant issuance cost, for the reclassification of the Leo Public Warrants that would not have been liability classified had the Business Combination been consummated on January 1, 2020, as further discussed in (N).

(**DD**) Reflects the fair value adjustment for Local Bounti warrants that are repaid as part of the Business Combination.

(EE) Reflects the removal of net gain from investments held in Leo's Trust Account.

(FF) Reflects the elimination of interest expense incurred for the nine months ended September 30, 2021 associated with the issuances of the Convertible Notes entered into during the nine months ended September 30, 2021 since the pro forma assumes such notes were settled for the year ended December 31, 2020.

(GG) Reflects the remaining transaction expenses to be incurred by Leo and Local Bounti related to the Transaction for the year ended December 31, 2020.

(HH) Reflects the transaction bonus to be paid to certain Local Bounti employees upon the close of the Business Combination.

(II) The $7.5 million additional interest expense for the year ended December 31, 2020 reflects a $6.1 million loss on extinguishment of the debt and $1.4 million of interest expense associated with the issuances of Convertible Notes, entered during 2021. The Convertible Notes are being settled, as part of consideration, at the Closing. The interest expense includes interest expense from the issuance dates through the estimated deal close date of September 30, 2021.

4. Loss per Share

Represents the net loss per share calculated using the historical weighted average shares outstanding, and the issuance of additional shares in connection with the Business Combination, assuming the shares were outstanding since January 1, 2020. As the Business Combination and related proposed equity transactions are being reflected as if they had occurred at the beginning of the period presented, the calculation of weighted average shares outstanding for basic and diluted net loss per share assumes that the shares issuable relating to the Business Combination, PIPE Financing and issuance of Convertible Notes have been outstanding for the entire period presented.

The unaudited pro forma condensed combined financial information has been prepared for the nine months ended September 30, 2021 and for the year ended December 31, 2019.

	For the Nine Months Ended September 30, 2021	For the Year Ended December 31, 2020
Pro forma net loss	$ (22,979)	$ (25,246)
Pro forma net loss per share attributable to ordinary shareholders, basic and diluted(1)	$ (0.26)	$ (0.28)
Weighted average ordinary shares outstanding, basic and diluted	89,268,201	89,268,201

(1) Diluted loss per ordinary share is the same as basic loss per ordinary share for all periods presented because the effects of potentially dilutive items were anti-dilutive given the Company's net loss.