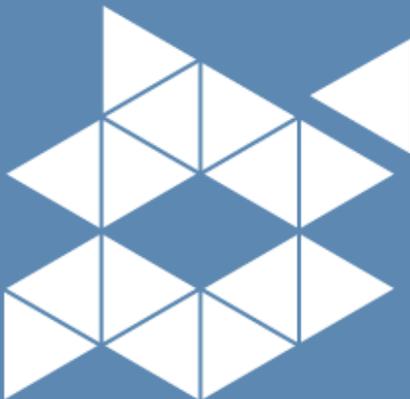




# RISK MANAGEMENT & AUDIT COMMITTEE CHARTER

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## 1 Introduction

The Board of Energy Action Pty Ltd (the “Company”) has established the Audit & Risk Management Committee (the “ARMC” or “Committee”) to assist it with the management of financial and risk audits of the Company and all its subsidiaries globally (the “Group”). This is the charter of the ARMC.

## 2 Purpose

The ARMC is responsible for assisting the Board of the Company (the “Board”) in discharging its responsibilities to safeguard the integrity of the Company’s and the Group’s financial reporting and the system of internal control.

As a sub-committee of the Board, the ARMC is responsible to the Board for:

- Leading the Group’s strategic direction in the management of material business risks;
- Oversight of the establishment and implementation of a risk management framework; and
- Reviewing the effectiveness of that risk management framework in identifying and managing risks and controlling internal processes.
- To encourage a culture based on the Company’s principles that foster continuous improvement and the minimisation of the impact of economic and personal risk within the organisation.
- To ensure policies are established and adopted for the oversight and management of “material business risks” (including but not limited to operational, financial, compliance, strategic, ethical, reputational, service quality, human resource, industry, legislative or regulatory and market-related risks).
- To review the Company’s and the Group’s financial statements
- To oversee the integrity of the Company’s and the Group’s financial position
- To oversee the independence and competence of the Company’s and the Group’s external auditors

The Committee’s role is to provide appropriate advice and recommendations to the Board to assist the Board to fulfill its corporate governance responsibilities in regard to financial reporting, the internal control environment, and Risk & Audit management across the Group.

## 3 Authority

The Committee is authorised by the Board to perform the activities and pass resolutions relating to all its responsibilities set out in Section 6 of this Charter. In addition, the Committee is authorised to:

- 3.1.1 investigate any activity it deems appropriate, consistent with its responsibilities and duties;
- 3.1.2 seek explanations and additional information from management and any officer or employee of the Group, all of whom must co-operate with any request made by the Committee;
- 3.1.3 meet with internal and external Auditors without management present;

- 3.1.4 resolve any disagreements between management and the external Auditors;
- 3.1.5 carry out any activities, determinations, decisions or resolutions delegated by the Board to the Committee; and
- 3.1.6 engage any firm of accountants, lawyers or other professionals as the Committee sees fit to provide independent advice and to assist in any review or investigation on such matters as the Committee deems appropriate, and all associated costs will be borne by the Company.

The Committee will have access to all books, records, facilities and personnel of the Group for the Committee to discharge its responsibilities. The Head of Internal Risk & Audit and the external Auditor shall both report independently to the Committee.

## 4 Composition

The Board will appoint the members of the Committee and the Chair of the Committee (who must not be the Chair of the Board).

The Committee must comprise of at least three members with a majority of non-executive directors.

The Board may also appoint an external advisor who has specialist risk management experience to assist the Committee.

All members of the Committee must be financially literate (that is, are able to read and understand financial statements). At least one member of the Committee must be a qualified accountant or other finance professional with significant relevant financial and/or accounting expertise. At least one member of the Committee must have significant relevant understanding of the business of the Group and the energy and sustainability industries.

Members will be appointed for a three year term and can be re-appointed.

The Secretary of the Committee will be the Company Secretary or his delegate who must attend all meetings to take minutes.

## 5 Meetings

### 5.1 Quorum & voting

A quorum of any Committee meeting will be at least 3 members. A duly convened meeting of the Committee at which a quorum is present shall be sufficient to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee. In the absence of the Chair the remaining members of the Committee will elect one of their number as Chair of the meeting.

Each member will have one vote and the Chair of the Committee will not have a casting vote.

Meetings may be held, and resolutions passed by means of a conference call or similar communications equipment, or any other technology or process by means of which Board meetings may be held and resolutions passed under the provisions of the Company's constitution and the Corporations Act (Cth) 2001.

### 5.2 Frequency

The Committee will meet a minimum of three (3) times per year and more frequently if required, as determined by the Chair.

### 5.3 Calling meetings

The external Auditors may convene a meeting by making a request to the Chair.

The Committee shall meet at least annually with the Head of Internal Risk & Audit and the external Auditors without management present (unless a member of the Committee is also part of the management of the Company) to discuss any matters the Committee considers relevant to the purpose of the Committee.

Any Company director that is not a member of the Committee is entitled to be present at the Committee's meetings provided that director does not have an actual or perceived conflict of interest with the matters to be considered in the meeting.

The Committee or the Chair of the Committee may invite non-Committee members (including management or external parties) to attend all or any part of any Committee meeting as deemed necessary from time to time.

### 5.4 Schedule of meetings

A schedule of meetings will be agreed in advance, however other meetings can be held as determined by the Chair.

In addition, the Company Secretary is required to call a meeting of the Committee upon request by either a Committee member, the CEO, the CFO, the Head of Internal Risk & Audit or the external Auditors.

The agenda (approved by the Chair) and supporting documentation should be delivered to the ARMC members, where possible by the last day of the week preceding the meeting.

### 5.5 Minutes

The Company Secretary shall keep minutes of all Committee meetings.

To the extent practicable, the Company Secretary will include copies of the minutes of each Committee meeting (in draft or final form) in the papers for the next full Board meeting after each meeting of the Committee.

The Committee minutes, agenda and supporting papers shall be made available to all Directors, provided there is no actual or perceived conflict of interest.

### 5.6 Reporting

The Committee will regularly report to the Board on all matters relevant to the Committee's responsibilities, including:

- 5.6.1 Assessing whether the Company's external reporting is consistent with Committee members' information and knowledge and is adequate for shareholder needs;
- 5.6.2 Monitoring and assessing the adequacy, integrity, and effectiveness of internal controls supporting financial reporting;
- 5.6.3 The procedures for the selection and appointment of external Auditors;

- 5.6.4 Recommending the appointment or, if necessary, the removal of the external Auditors;
- 5.6.5 Assessing the performance and independence of the external Auditors;
- 5.6.6 Monitoring and reviewing the performance and objectivity of Group Internal Risk & Audit;
- 5.6.7 Recommending the appointment or, if necessary, the termination of the appointment of the Head of Internal Risk & Audit; and
- 5.6.8 Making other appropriate recommendations to the Board for approval or action by the Board.

## 6 Responsibilities

The Committee in meeting its primary objectives should, without limiting the extent of its responsibilities carry out the tasks and consider the various matters set out below.

- 6.1 Risk Management
  - 6.1.1 Oversee and approve the risk management, internal compliance and control policies and procedures of the Company.
  - 6.1.2 Oversee the design and implementation of the risk management and internal control systems (including reporting and internal audit systems), in conjunction with existing business processes and systems, to manage the Company's material business risks.
  - 6.1.3 Set reporting guidelines for management to report to the ARMC on the effectiveness of the Company's management of its material business, health and safety risks and disclose to the Board the content of management reports.
  - 6.1.4 Establish policies for the monitoring and evaluation of risk management systems to assess the effectiveness of those systems in minimising risks that may impact adversely on the business objectives of the Company.
  - 6.1.5 Establish policies to monitor and evaluate risk management systems that identify and manage health and safety risks to maintain the well being of all employees, contractors and visitors.
  - 6.1.6 Oversight of internal systems to evaluate compliance with corporate policies
  - 6.1.7 Oversight of management in the monitoring and evaluation of continuous quality improvement systems that are designed to improve performance in the delivery of energy management services.
  - 6.1.8 Approve policies to inform all employees, visitors and contractors of their rights and responsibilities consistent with the risk management framework generally and specific material business risks identified from time to time, through readily available information at corporate levels.
  - 6.1.9 Provide guidance to the Board on making the Company's risk management policies and procedures publicly available and, if appropriate, liaise with the Company Secretary and/or the Board on announcements to the market where material business risks or changes to those risks are likely to have a material impact on the price or value of the Company's securities.

- 6.1.10 Approve and update as necessary a summary of the Company's policies on risk oversight and management of material business risks, to be made publicly available.
- 6.1.11 Contribute to the corporate governance statement in the Company's annual report, as appropriate given ARMC policies, reports and results in the reporting period.
- 6.2 Financial Statements
  - 6.2.1 Review significant accounting, tax and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements and understand their impact on the financial statements.
  - 6.2.2 Review with management and the external Auditors the results of the Risk & Audit, including any difficulties encountered.
  - 6.2.3 Review the annual financial statements, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles.
  - 6.2.4 Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
  - 6.2.5 Review with management and the external Auditors all matters required to be communicated to the Committee under generally accepted Risk & Auditing Standards.
  - 6.2.6 Understand how management develops interim financial information, and the nature and extent of internal and external Risk & Auditor involvement.
  - 6.2.7 Review interim financial reports with management and the external Auditors before filing with regulators, and consider whether they are complete and consistent with the information known to Committee members.
- 6.3 Internal Control
  - 6.3.1 Consider the effectiveness of the Company's internal control system, including information technology security and control.
  - 6.3.2 Understand the scope of internal and external Auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
- 6.4 Internal Risk & Audit
  - 6.4.1 Interface and review with the Head of Internal Audit the activities, staffing and structure of the internal Risk & Audit function.
  - 6.4.2 Approve the annual plans of the internal Auditors for the Group and regularly monitor the progress of implementation of these plans.
  - 6.4.3 Discuss the scope of Audit work with the internal Auditors and approve letters of engagement (including proposed fees) for any external services acquired by internal Risk & Audit.
  - 6.4.4 Review with the internal Auditor any significant recommendations made by them on the subject of internal

control, and management's response to the recommendations.

- 6.4.5 Monitor progress made by management in improving internal controls arising from recommendations made by the internal Auditors.
- 6.4.6 Make recommendations to the Board on the appointment of the internal Auditor.
- 6.4.7 Meet with the Head of Internal Audit, in the absence of management, to hear the views of the Auditor on financial management and internal controls.
- 6.5 External Risk & Audit
  - 6.5.1 Interface with the external Auditors.
  - 6.5.2 Approve the annual plans of the external Auditors for the Group and regularly monitor the progress of implementation of these plans.
  - 6.5.3 Discuss the scope of Risk & Audit work with the external Auditors and approve letters of engagement (including proposed fees).
  - 6.5.4 Commission such enquiry by the external Risk & Auditor as the Committee deems appropriate.
  - 6.5.5 Review with the external Risk & Auditor any significant recommendations made by them on the subject of internal control, and management's response to the recommendations.
  - 6.5.6 Monitor progress made by management in improving internal controls arising from recommendations made by the external Auditors.
  - 6.5.7 Make recommendations to the Board on the appointment or, if necessary, the removal of the external Auditors, subject to Corporations Act requirements.
  - 6.5.8 Review and approve external Risk & Audit fees, including the monitoring and approval of all non-Risk & Audit services in accordance with the Committee's policies.
  - 6.5.9 Assess the independence of the external Auditors (including the monitoring of the employment of former employees of the external Risk & Auditor) and advise the Board on any statements required to be included in the Company's Annual Report as to:
    - (a) whether the provision of non-Risk & Audit services during the year by the Risk & Auditor (or by another person or firm on the Risk & Auditor's behalf) is compatible with the general standard of independence for Auditors imposed by the Corporations Act; and
    - (b) the reasons for being satisfied (or not satisfied, as the case may be) that the provision of those non-Risk & Audit services did not compromise the Risk & Auditor independence requirements of the Corporations Act.
  - 6.5.10 Meet with the external Auditors, in the absence of management, to hear the views of the Auditors on financial management and internal controls.
- 6.6 Compliance
  - 6.6.1 Review the effectiveness of the system for monitoring compliance with laws and regulations and the results

of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

- 6.6.2 Review the findings of any examinations by regulatory agencies, and any Risk & Auditor observations.
- 6.6.3 Review the process for communicating the Code of Conduct to Company personnel, and for monitoring compliance therewith.
- 6.6.4 Obtain regular updates from management regarding compliance matters.
- 6.6.5 Review compliance with taxation requirements and tax risk management.
- 6.6.6 Receive reports on disclosures to the Whistleblower Hotline. The Chair will be made aware of all reports and oversee the investigation of disclosures and report on these investigations to the Committee.
- 6.7 General
  - 6.7.1 Make recommendations to the Board regarding the payment of dividends.
  - 6.7.2 Review the Group's insurances at least annually, having regard to the Group's business and the insurable risks associated with the Group's business.
  - 6.7.3 Receive and review the declarations made by the Chief Executive Officer and Chief Finance Officer in relation to financial reports (including as required by section 295A of the Corporations Act).
  - 6.7.4 Facilitate the identification and management of all significant areas of risk.
  - 6.7.5 Undertake any matters referred to the Committee by the Board.
  - 6.7.6 To formulate and monitor the effectiveness of financial, accounting and other policies relevant to the Committee's responsibilities.
- 6.8 Conflict of Interest

Members of the Committee must not vote on any issue in respect of which they have an actual or perceived conflict of interest.

## 7 Reviews

### 7.1 Review of Performance

To determine whether it is functioning effectively, the Committee will evaluate its own performance on an annual basis. This will include an assessment of the extent to which the Committee has discharged its responsibilities as set out in this Charter. The results of this review will be reported to the Board.

### 7.2 Review of Charter

The Committee will review its Charter every two years or otherwise as it considers necessary. The Committee shall discuss any required changes with the Board and ensure that the Charter is approved by a resolution of the Board.

## **8 Authority & resources available**

The Committee may conduct or may authorise a third party to conduct investigations into any activity or function within the Energy Action Organisation so far as it relates to the duties of the Committee and is in accordance with this Charter. The Committee is authorised to make recommendations to the Board regarding appropriate action resulting from any such investigation.

The Committee will have authority to engage and authorise expenses for independent counsel and other advisors as the Committee deems necessary to perform its duties.

The Committee will have access to all books, records, facilities and personnel of Energy Action necessary for the Committee to discharge its duties and responsibilities.