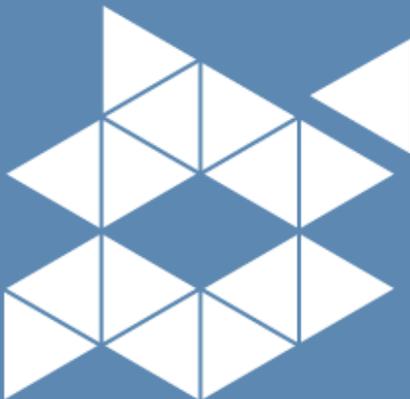




AUDIT & RISK MANAGEMENT COMMITTEE CHARTER

August 2019



1 Introduction

The Board of Energy Action 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 (the “Group”) and any other audit and risk management matters as determined by the Board of Directors of the Company (“Board”).

This charter governs the roles, responsibilities, composition and membership of the Committee of Energy Action. The conduct of the Committee is also governed, where applicable, by the constitution of the Company.

2 Objectives

2.1 Audit

The purpose of the Committee is to assist and advise the Board in fulfilling its statutory, corporate governance and oversight responsibilities by:

- (a) monitoring and reviewing:
 - a. the integrity of the Company’s internal financial reporting and external financial statements;
 - b. the effectiveness of internal financial controls;
 - c. the independence, objectivity and performance of external auditors; and
 - d. the policies on risk oversight and management; and
- (b) making recommendations to the Board in relation to the appointment of external auditors and approving the remuneration and terms of their engagement.

Ultimate responsibility for the integrity of the Company’s financial reporting rests with the full Board notwithstanding the establishment of the Committee.

2.2 Risk management

The purpose of the Committee is to also assist the Board in fulfilling its responsibilities relating to the risk management and compliance practices of the Company.

Ultimate responsibility for risk oversight and risk management rests with the full Board notwithstanding the establishment of the Committee.

3. Membership

3.1 Composition and size

To the extent practicable given the size and composition of the Board from time to time, the Committee must comprise of at least three members with a majority of non-executive directors. The members of the Committee will

be appointed and removed by the Board.

3.2 Expertise

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.

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

3.3 Chair and Secretary

To the extent practicable given the size and composition of the board from time to time, the Board will appoint a chairperson to the committee who is an independent Director (**Chair**).

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

4. Meetings

4.1 Quorum

A quorum of any Committee meeting will be at least 2 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.

4.2 Voting

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.

4.3 Frequency

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

The Secretary must call a meeting of the Committee if requested to do so by any member of the Committee or by the Board.

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

4.4 Attendance

The Committee shall meet at least annually with the external Auditors without management present to discuss any

matters the Committee considers relevant to the purpose of the Committee.

Any director that is not a member of the Committee is entitled to be present at a meeting of the Committee.

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.

4.5 Schedule of meetings

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

The agenda (approved by the Chair) and supporting documentation should be delivered to the ARMC members as far as possible in advance of the meeting.

4.6 Minutes

The Secretary is responsible for taking minutes of each meeting and distributing them to committee members as soon as practicable after the close of the meeting.

The minutes should ordinarily be included in the papers for the next full Board meeting after each committee meeting.

4.7 Reporting

The Chair of the Committee will provide a verbal report to the Board meeting following a meeting of the Committee, including a report of any material matters arising out of the Committee meeting.

4.8 Access to resources

The Committee has unrestricted access to management, external auditors and all Company records for the purpose of carrying out its responsibilities under this Charter.

4.9 Access to independent advisors

The Committee has the power to interview management and, without management present, to:

- (a) conduct any investigations;
- (b) seek explanations and additional information;
- (c) engage any independent experts; and
- (d) interview any external auditors.

The Committee has the power to engage any independent experts that it considers necessary or appropriate to help it fulfil its duties. Costs associated with these investigations will be borne by the Company.

5. Responsibilities

The ARMC is responsible for assisting 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.

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 audit & risk management across the Group.

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.

5.1 Risk Management

- 5.1.1 Oversee and approve the risk management, internal compliance and control policies and procedures of the Company.
- 5.1.2 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.
- 5.1.3 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.
- 5.1.4 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.

- 5.1.5 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.
- 5.1.6 Oversight of internal systems to evaluate compliance with corporate policies
- 5.1.7 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.
- 5.1.8 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.
- 5.1.9 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.
- 5.1.10 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.
- 5.1.11 Contribute to the corporate governance statement in the Company's annual report, as appropriate given ARMC policies, reports and results in the reporting period.
- 5.2 Financial Statements
 - 5.2.1 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.
 - 5.2.2 Review with management and the external Auditors the results of the Risk & Audit, including any difficulties encountered.
 - 5.2.3 Review the annual financial statements, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles.
 - 5.2.4 Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
 - 5.2.5 Review with management and the external Auditors all matters required to be communicated to the Committee under generally accepted Risk & Auditing Standards.
 - 5.2.6 Understand how management develops interim financial information, and the nature and extent of internal and external Risk & Auditor involvement.
 - 5.2.7 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.
- 5.3 Internal Control
 - 5.3.1 Consider the effectiveness of the Company's internal control system, including information

technology security and control.

- 5.3.2 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.
- 5.4 Internal Risk & Audit Function - if separate department is deemed required
 - 5.4.1 Interface and review with the Chief Financial Officer the activities, staffing and structure of the internal Risk & Audit function.
 - 5.4.2 Approve the annual plans of the internal Auditors for the Group and regularly monitor the progress of implementation of these plans.
 - 5.4.3 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.
 - 5.4.4 Review with the internal Auditor any significant recommendations made by them on the subject of internal control, and management's response to the recommendations.
 - 5.4.5 Monitor progress made by management in improving internal controls arising from recommendations made by the internal Auditors.
 - 5.4.6 Make recommendations to the Board on the appointment of the internal Auditor.
 - 5.4.7 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.
- 5.5 External Risk & Audit
 - 5.5.1 Interface with the external Auditors.
 - 5.5.2 Approve the annual plans of the external Auditors for the Group and regularly monitor the progress of implementation of these plans.
 - 5.5.3 Discuss the scope of Risk & Audit work with the external Auditors and approve letters of engagement (including proposed fees).
 - 5.5.4 Commission such enquiry by the external Risk & Auditor as the Committee deems appropriate.
 - 5.5.5 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.
 - 5.5.6 Monitor progress made by management in improving internal controls arising from recommendations made by the external Auditors.
 - 5.5.7 Make recommendations to the Board on the appointment or, if necessary, the removal of the external Auditors, subject to Corporations Act requirements.
 - 5.5.8 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.

- 5.5.9 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.
- 5.5.10 Meet with the external Auditors, in the absence of management, to hear the views of the Auditors on financial management and internal controls.
- 5.6 Compliance
 - 5.6.1 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.
 - 5.6.2 Review the findings of any examinations by regulatory agencies, and any Risk & Auditor observations.
 - 5.6.3 Review the process for communicating the Code of Conduct to Company personnel, and for monitoring compliance therewith.
 - 5.6.4 Obtain regular updates from management regarding compliance matters.
 - 5.6.5 Review compliance with taxation requirements and tax risk management.
 - 5.6.6 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.
- 5.7 General
 - 5.7.1 Make recommendations to the Board regarding the payment of dividends.
 - 5.7.2 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.
 - 5.7.3 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).
 - 5.7.4 Facilitate the identification and management of all significant areas of risk.
 - 5.7.5 Undertake any matters referred to the Committee by the Board.
 - 5.7.6 To formulate and monitor the effectiveness of financial, accounting and other policies relevant to the Committee's responsibilities.

6. Committee's performance evaluation

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. Review of Charter

The Committee will conduct a review of its Charter every two years or otherwise as it considers necessary. The Board will approve any amendments to the Charter.