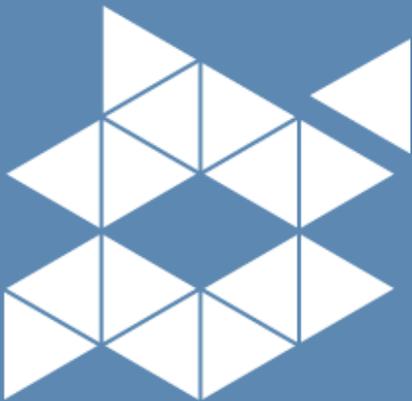




BOARD CHARTER

August 2019



1 Purpose

The Board of Energy Action Limited (“Company”) is responsible for the good governance of the Company. The purpose of this Charter is to specify how the Company is governed so as to promote confidence in the Company and to seek to protect the interest of shareholders. This charter sets out the roles and responsibilities of the Board and management, which responsibilities are delegated to committees of the Board or to management, as well as guidance relating to the membership and the operation of the Board.

2 Role & Responsibilities

2.1 Role

The role of the Board is to provide leadership, strategic guidance and oversight of management for the Company. The Board derives its authority to act from the Company’s constitution. The Board must pursue the objective that Company activities comply with the Company’s constitution and with all legal and regulatory requirements.

2.2 Responsibilities

The Board’s responsibilities incorporate:

2.2.1 Strategic Direction

- Oversight of the strategic direction for Energy Action and endorsing Energy Action’s strategy developed by the Chief Executive Officer (CEO);
- Decision making in relation to matters of a sensitive or extraordinary nature;
- Providing advice and counsel to management on a periodic and ad hoc basis; and
- Making sure management implement the policies and decisions of the Board.

2.2.2 Governance

- Undertaking all reasonable measures to ensure best practice corporate governance;
- Monitoring the performance of the CEO and approving senior management remuneration policies and practices; and
- Reporting to shareholders.

2.2.3 Compliance

- Undertaking all reasonable measures to monitor that appropriate compliance frameworks and controls are in place and are operating effectively; and
- Approving and monitoring the effectiveness of and compliance with policies governing the operations of Energy Action.

2.2.4 Risk Management

- Monitoring the integrity of internal control and reporting systems; and
- Monitoring strategic risk management systems, including the review of processes for identifying areas of significant business risk, monitoring risk management policies and procedures, monitoring insurance coverage and oversight of internal controls and review of major assumptions used in the calculation of significant risk exposure.

2.2.5 Operating Performance

- Approving decisions concerning the capital of Energy Action, including capital restructures;
- Reviewing and approving the annual operating budget, the annual and half-yearly statutory financial statements and monitoring the financial results on an on-going basis; and
- Determining dividend policy and approving dividends.

2.2.6 Operational Development

- The appointment of the CEO and the review and monitoring of the succession plan for the CEO; and
- Endorsing the appointment of the CEO's direct reports.

2.2.7 The Energy Action Constitution

The Energy Action Constitution is Energy Action's key governance document. The Board monitors the processes and procedures to make sure Energy Action complies with the provisions of the Constitution.

2.2.8 Compliance with Laws

Energy Action recognises that it must comply with the Corporations Act 2001 (*Cth*) ("Corporations Act"), as well as all other applicable laws. The ASX Listing Rules are also applicable.

As a company which is planning to operate in other jurisdictions, the Board recognizes that it needs to comply with all applicable laws in those jurisdictions.

2.7 Strategy

The Energy Action Board is responsible for setting the strategic direction of Energy Action and monitoring the implementation of that strategy by Energy Action Management, including:

- oversight of the Energy Action Group, including its control and accountability systems;
- appointing and removing the CEO;
- appointing and removing the Company Secretary;
- Board and Executive Management development and succession planning;
- input into and final approval of corporate strategy;
- input into and final approval of the annual operating budget (including the capital budget);

- g. approving and monitoring the progress of major capital expenditure, capital management and acquisitions/divestitures;
- h. monitoring compliance with all relevant legal, tax and regulatory obligations;
- i. reviewing and monitoring systems of risk management and internal compliance and controls, codes of conduct, continuous disclosure, legal compliance and other significant corporate policies;
- j. at least annually, reviewing the effectiveness of Energy Action's implementation of its risk management system and internal control framework;
- k. monitoring Executive management's performance and implementation of strategy and policies, including assessing whether appropriate resources are available;
- l. approving and monitoring financial and other reporting to the market, shareholders, employees and other Stakeholders; and
- m. appointment, reappointment or replacement of the external auditor.

3. Membership

3.1 Composition and size

It is intended that the Board should comprise a majority of non-executive directors, including the Chairman and Deputy Chairman, and comprise Directors with a broad range of skills, expertise and experience, consistent with the Energy Action Diversity & Inclusion Policy.

The Board together with the Nomination and Remuneration Committee (**NRC**), will review the skills, expertise and experience represented by Directors on the Board and determine whether the composition and mix of those skills, expertise and experience remain appropriate for Energy Action's strategy, subject to limits imposed by the Constitution.

The Directors will determine the size of the Board, subject to the company's constitution and applicable law. The Company's constitution provides that the Board must comprise of a minimum of three (3) Directors.

3.2 Director Independence

The Board regularly reviews the independence of each Non-executive Director in light of information relevant to this assessment as disclosed by each Non executive Director to the Board. The Board only considers Directors to be independent where they are independent of management and, as a practical matter, where they exercise their judgment in an unfettered and independent manner. All Directors (including Executive Directors) are entitled to be heard at all Meetings and should bring an independent judgment to bear in decision-making.

Non-Executive Directors should confer at least annually without Management present.

3.3 Tenure

The Board does not believe that it should establish an arbitrary limit on tenure. While tenure limits can help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight in Energy Action and its operations and, therefore, an increasing contribution to the Board as a whole. Accordingly, tenure is just one of the many factors that the Board takes into account when assessing the independence and ongoing contribution of a Director in the context of the overall Board process.

2.6.3 Continuous Disclosure

To ensure that Energy Action is meeting its obligations under the listing rules requirements of the Australian Securities Exchange and that price-sensitive information is released to market in a timely fashion, Energy Action has adopted a comprehensive continuous disclosure policy.

The ultimate responsibility for the management of continuous disclosure rest with the CEO and Company Secretary.

4. Allocation of responsibilities

4.1 Role of the Chair

The Board is responsible for appointing one of the Non-Executive Directors as the Chair.

The Chairman's responsibility is to ensure that the Board discharges its role, to achieve this, the Chair's duties include:

- Chairing board and shareholder meetings;
- Providing the appropriate leadership to the Board and Energy Action;
- Facilitating Board discussions to ensure the core issues facing the organisation are addressed;
- Maintaining a regular dialogue and mentoring relationship with the CEO and Senior Executives;
- Monitoring the performance of the Board and individual directors; and
- Promoting the on-going effectiveness and development of the Board.

4.2 Role of the Deputy Chair

The Deputy Chair may be elected by the Board or appointed by the Chair. The Deputy Chair's responsibilities include:

- Chairing meetings in the absence of the Chair; and
- Undertaking any other duties as required by the Board.

4.3 Role of the CEO

The management function is conducted by, or under the supervision of, the CEO as directed by the Board (and other officers to whom the management is properly delegated by the CEO).

The CEO is responsible to the Board for the overall development of strategy, management and performance of Energy Action. The CEO manages the organisation in accordance with the strategic business plans and policies approved by the Board to achieve the agreed goals.

4.4 Role of Individual Directors

Directors are subject to a range of duties under statute, common law, the ASX Listing Rules and policies adopted by Energy Action from time to time. Energy Action expects that Directors will take all reasonable steps to satisfy these duties.

In discharging his/her duties, each Director must:

- a. exercise care and diligence;
- b. act in good faith in the best interests of Energy Action and for a proper purpose;
- c. not improperly use his/her position or misuse information of Energy Action; and
- d. commit the time necessary to discharge effectively his/her role as a Director.

4.5 Role of the Company Secretary

The Board is supported by the Company Secretary who is accountable to the Board and is responsible for:

- Organising Board meetings;
- Preparing agendas and minutes;
- Preparing Board packs;
- Organising Directors' attendances;
- Providing a point of reference for all dealings between Board and Management;
- Communication with regulatory bodies and the ASX; and
- Attending to all statutory and other filings,

as well as ensuring compliance with the statutory requirements of the Corporations Act, the ASX Listing Rules and other regulatory bodies.

5. Delegations of authority

5.1 Delegations to committees

Under the Company's constitution, the Board may delegate responsibility to committees to consider certain issues in further detail and then report back and advise the Board.

Standing committees established by the Board have adopted charters setting out the authority, responsibilities, membership and operation of the committees. There are currently 2 standing committees:

- Audit & Risk Management Committee; and
- Nomination & Remuneration Committee.

The Board may establish other committees from time to time to consider other matters of significance.

All Directors are entitled to attend committee meetings and receive committee papers. Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions. The Chairman of each committee will report on committee meetings to the Board at the next full Board meeting.

The Board will appoint or revoke the appointment of committee members.

The Board will appoint the Chair of each committee from the members of each Committee. The Chair of each Committee will be an independent director.

The Board will annually review the composition of each committee to ensure each committee has an appropriate balance of skills and experience.

The role of each committee is to operate within the terms of its charter and to make recommendations to the Board for decision.

5.2 CEO & Management Delegations

The Board delegates the responsibility for the day-to-day management of Energy Action to the CEO, who is assisted by the Chief Financial Officer (CFO).

The CEO must consult with the Chairman or Deputy Chairman on any matters, which the CEO considers are of such a sensitive, extraordinary or strategic nature as to warrant the attention of the Board regardless of value.

The authorisation thresholds for the control of expenditure and capital commitments are delegated to the Audit & Risk Management Committee. Subject to the directions of the Audit & Risk Management Committee, the CEO may sub-delegate the day-to-day running of Energy Action to the senior executive team.

The exercise of delegated authority is restricted to specific organisational functions and roles, including, determining conditions of employment, the write off of assets, instructing external advisers, property transactions, taxation payments, treasury transactions and dealings (contractual and otherwise) with other parties.

Special and routine capex proposals, which have investment or expenditure initiatives with direct or indirect exposure to Energy Action, above the CEO's approval threshold (as set out in the delegations of authority document), must be submitted to the Board for approval.

6. Board process

6.1 Board Meetings

All Board meetings will be conducted in accordance with the Company's constitution and the Corporations Act. Directors are committed to collective decision making, but have a duty to question and raise any issues of concern. Matters are to be debated openly and constructively amongst the directors. Individual directors must utilize their particular skills, experience and knowledge when discussing matters at Board meetings.

Directors must keep Board discussion and resolutions confidential, except where they are required to be disclosed.

Directors are expected to prepare adequately for, attend and participate in Board meetings.

The Board meets regularly in accordance with an agreed schedule. The Board may also meet on other occasions between scheduled meetings to deal with specific matters as the need may arise.

The Non-executive Directors may meet without executive directors or management present. Independent Directors may also meet on their own as they determine necessary.

6.2 Independent professional advice

The Board collectively has the right to seek independent professional advice as it sees fit. Each Director individually has the right to seek independent professional advice, subject to the approval of the Chairman or Deputy Chairman. Generally this advice will be available to all directors if the Chair considers the advice relevant for them to discharge their responsibilities as directors.

6.3 Access to management

Directors have complete access to the senior management team. In addition to regular reports by senior management to the Board meetings, Directors may seek briefings from senior management on specific matters and are entitled to request additional information at any time when they consider it appropriate.

All Directors have direct access to the Company Secretary.

7. Induction and continuing education

The Board has systems in place to ensure that Directors receive the necessary support they require to perform their role effectively. Induction and orientation programs are in place for all newly appointed Directors, and continuing education and training is encouraged, whether provided externally or internally, on an 'as needs' basis to keep Directors informed regarding regulatory and market developments that significantly impact Energy Action's operations or their duties as Directors.

8. Evaluating Performance

The Board will undertake an annual assessment of its performance, including its performance against the requirements of this Charter and the performance of individual Committees.

Following each assessment, the Board will consider what, if any, actions need to be taken to improve its performance.

9. Policies

The Board (or appropriate Board committees) is responsible for making sure that the company has appropriate policies in place, including (but not limited to):

- risk management
- Securities trading
- Communications strategy with shareholders; and
- Continuous disclosure.

10. Board Charter Review

At least once each year, the Directors will review this Charter and approve any required amendments including those required to comply with the ASX Principles.