



**NOTICE OF 2016
ANNUAL GENERAL MEETING AND
EXPLANATORY MEMORANDUM**

Energy Action Limited

(ACN 137 363 636)

NOTICE OF 2016 ANNUAL GENERAL
MEETING AND EXPLANATORY
MEMORANDUM

For a meeting to be held on
Thursday, 10th November 2016
at the offices of DLA Piper
Level 22, 1 Martin Place
Sydney NSW
at 2.30pm (AEDT)

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Separate Attachment

Proxy Form and Questions for the Chairman or the external auditor.

This is an important document. Please read it carefully.

If you are unable to attend the Meeting please complete the proxy form and return it in accordance with the instructions.

Chairman's Letter



7 October 2016

Dear Shareholder,

It is with pleasure that I invite you to the 2016, and fifth Annual General Meeting (the **Meeting**) of Energy Action Limited (**Energy Action** or the **Company**) as a publicly listed entity. The Meeting is an opportunity for Shareholders to talk to the directors and the senior management team about Energy Action and I encourage you to attend.

The Meeting will be held on Thursday 10th November 2016 at 2.30pm (AEDT) at the office of DLA Piper, Level 22, 1 Martin Place, Sydney NSW.

Please find enclosed the Notice of Meeting, Explanatory Memorandum, proxy form, question form and business reply envelope.

If you are attending the Meeting, please bring the attached proxy form with you as the barcode will assist in the registration process. If you are unable to attend, please complete and return your proxy form to Link Market Services Limited at Level 12, 680 George Street, Sydney NSW 2000, or to Energy Action at Level 5, 56 Station Street Parramatta NSW 2150 or by facsimile to +612 9287 0309 or online at www.linkmarketservices.com.au to be received no later than 2.30pm (AEDT) on Tuesday 8th November 2016.

Enclosed is a question form to give you the opportunity to submit questions and/or to address questions to me (as Chairman) and/or our external auditor, Ernst & Young, prior to the Meeting. Ernst & Young will be present at the Meeting to respond to any questions received and to answer any additional questions. Please note that written questions for Ernst & Young must be sent to Link Market Services or Energy Action and received no later than 5.00pm on Thursday, 3 November 2016.

If you require further information or have questions, please contact Energy Action's Registry on 1800 451 641 (within Australia) or +61 2 8280 7786 (outside Australia).

I look forward to your attendance at the Meeting.

A handwritten signature in black ink, appearing to read "Murray Bleach".

Mr Murray Bleach
CHAIRMAN

Energy Action Limited, Level 5, 56 Station Street, Parramatta NSW 2150
1300 553 551 | info@energyaction.com.au | www.energyaction.com.au

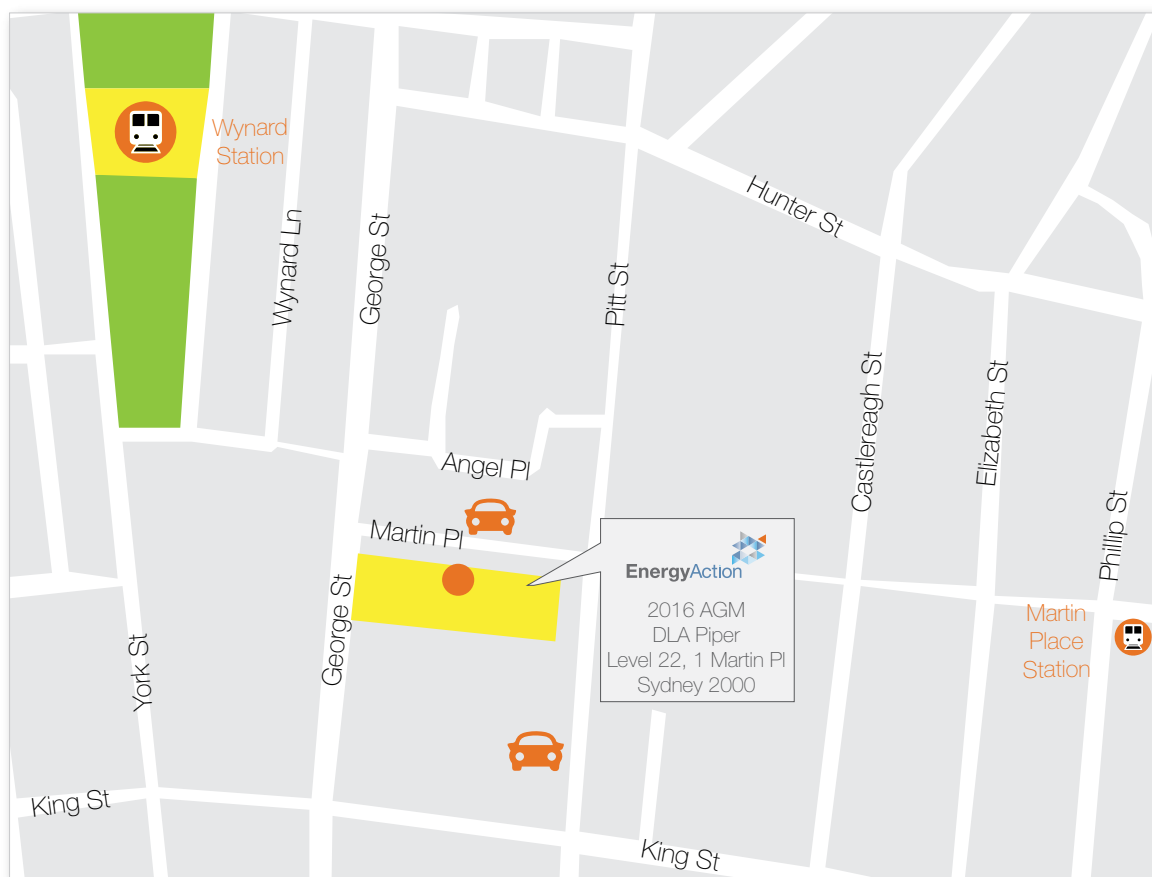
Location

Venue

The Meeting of the Shareholders of Energy Action will be held at:
DLA Piper, Level 22, 1 Martin Place, Sydney

Commencing

2.30 pm, Thursday 10th November 2016



Closest Train Station – Wynyard

Exit Wynyard Station towards George Street
Walk south on George Street for 210m
Turn left onto Martin Place
Walk east 100m
Entrance to “Office Tower” is on the right
Up escalator, then walk 50m across to lifts

Self drive/Parking

A. Secure Parking

No 1 Martin Place Car Park
Entrance 159 Pitt St, Sydney 2000

B. Wilson Parking

Angel Place Car Park
Entrance 123 Pitt St, Sydney 2000
Short walk to Martin Place

Agenda

Thursday 10th November 2016

1.30pm	Registration begins
2.00pm	Light refreshments
2.30pm	Annual General Meeting commences
	Welcome to Shareholders by Chairman
	Chief Executive Officer presentation
	Items of Business

Conduct of the Meeting

The Annual General Meeting is an important event and we encourage Shareholders to actively participate. Important information about the conduct of the Meeting is set out below.

Discussion and Asking Questions

Discussion will take place on all the items of business as set out on pages 9-10.

The Explanatory Memorandum also provides further information relating to the items of business.

Shareholders will have the opportunity to ask questions at the Meeting (including an opportunity to ask questions of the Auditor).

To ensure that as many Shareholders as possible have the opportunity to speak, Shareholders are requested to observe the following guidelines:

- Please keep questions as brief as possible and relevant to the matters being discussed.
- If you have more than one question, please ask all questions at the one time.

Shareholders who are unable to attend the Meeting or who may prefer to register written questions in advance are invited to do so. A question form is enclosed.

An opportunity for discussion will be provided on each item of business prior to Shareholders being asked to vote.

Webcast and Photography

For those that may not be able to attend the Meeting we expect to make a live and a recorded broadcast available via a webcast viewable at www.energyaction.com.au.

For the safety and security of all those present at the Meeting, cameras and recording devices are not permitted.

Voting on Resolutions

Shareholders who are entitled to vote

For the purposes of this Meeting and in accordance with regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that a person's entitlement to vote at the Meeting will be the entitlements of that person set out in the register of members as at 7.00pm (AEDT) on Tuesday 8th November 2016.

At the Meeting, each Shareholder is entitled to:

- (a) 1 vote on a show of hands; and
- (b) 1 vote for each Share they hold, on a poll.

Voting by Proxy

A Shareholder is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. A proxy need not be a Shareholder of Energy Action and may be an individual or body corporate.

Shareholders wishing to appoint a Director (including the Chairman of the Meeting) or other member of the KMP of Energy Action as their proxy should read carefully the instructions on the proxy form and mark the relevant box to ensure their votes are not disregarded.

A Shareholder entitled to cast two or more votes at the Meeting may appoint two proxies and specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and does not specify the proportion or number of votes each proxy may exercise, then each proxy may exercise half of the votes. Where two proxies are appointed, neither proxy may vote on a show of hands. A Shareholder wishing to appoint a second proxy can obtain an additional proxy form by contacting Link Market Services Limited, or can copy the proxy form, and return them together.

A proxy form is enclosed with this Notice of Meeting. To be valid, proxy forms and any authority (or certified copy of that authority) under which any proxy form is signed, must be received:

- 1. by facsimile number to Link Market Services Limited +61 2 9287 0309; or
- 2. by mail to Locked Bag A14 Sydney South NSW 1235; or

- 3. by hand delivery to 1A Homebush Bay Drive, Rhodes NSW 2138; or
- 4. at the registered office of Energy Action on Level 5, 56 Station Street, Parramatta (facsimile number +61 2 9475 0954),

by no later than 2.30pm (AEDT) on Tuesday, 8th November 2016.

Alternatively, a Shareholder may vote online at www.linkmarketservices.com.au, by entering their holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, Shareholders will need their "Holder Identifier" (Shareholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).

If you return your proxy form but do not nominate a representative, the Chairman of the Meeting will be your proxy and will vote on your behalf as you direct on the proxy form. If your nominated representative does not attend the Meeting then your proxy will revert to the Chairman of the Meeting and he may vote as he thinks fit in relation to any motion or resolution other than those (if any) in respect of which an indication of the manner of voting is given on your proxy form.

KMP – Undirected Proxies

The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution in the Notice of Meeting.

If a Shareholder appoints the Chairman as their proxy (or the Chairman becomes the Shareholder's proxy by default) but does not complete any of the boxes "For", "Against" or "Abstain" opposite Resolution 1 on the proxy form, the Shareholder will be giving express authority for the Chairman to vote on Resolution 1 in accordance with the Chairman's stated voting intention, even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company. The Chairman intends to cast all such proxies FOR Resolution 1.

If a Shareholder wishes to appoint the Chairman as proxy with a direction to vote against, or abstain from voting on Resolution 1, the Shareholder must specify this by ticking the “Against” or “Abstain” boxes opposite Resolution 1 on the proxy form.

If a Shareholder appoints a member of KMP (other than the Chairman of the Meeting) or a Closely Related Party of any such member of KMP, as its proxy and such Shareholder does not direct that person how to vote on Resolution 1 (by marking the appropriate “For”, “Against” or “Abstain” box), that Shareholder’s proxy will not be able to vote on their behalf on Resolution 1.

Voting by Attorney

A Shareholder may appoint an attorney to vote on his/her behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by Energy Action at its registered office or one of the addresses listed above for the receipt of proxy appointments at least 48 hours before the Meeting.

Corporate Representatives

A body corporate which is a Shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of sections 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to Energy Action. A form for this purpose may be obtained from Link Market Services Limited (refer also to the “Corporate Representatives” section of the Proxy Form).

Notice of Meeting

Notice is hereby given that the Annual General Meeting of Energy Action Limited will be held on Thursday, 10th November 2016 at 2.30pm (AEDT) at the offices of DLA Piper, Level 22, 1 Martin Place, Sydney NSW.

Important Information:

- 1) **The Resolutions set out in this Notice should be read in conjunction with the Explanatory Memorandum.**
- 2) **Certain capitalised terms and abbreviations used below are defined in the Glossary at page 15.**
- 3) **Certain Shareholders are excluded from voting in relation to particular Resolutions and the Company must disregard votes cast by or on behalf of those Shareholders. Please do not vote if your vote must be disregarded or if you must not vote as outlined in the paragraphs below.**

The business of the Meeting is as follows:

Ordinary Business

Item 1: Receipt of Annual Financial Report

Receipt of the Company's Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2016.

Note: There is no requirement for Shareholders to approve these reports.

Item 2: Adoption of Remuneration Report (Resolution 1)

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

"That for the purpose of Section 250R(2) of the Corporations Act 2001, and for all other purposes, approval is given for the adoption of the Remuneration Report for the year ended 30 June 2016."

Note: The vote on this resolution is advisory only and does not bind the Company or the Directors.

Voting Exclusion Statement for Resolution 1

The following persons may not vote, and the Company will disregard any votes cast by or on behalf of the following persons, on Resolution 1:

- a. Any KMP whose remuneration details are included in the Remuneration Report (and any Closely Related Party of such a KMP, and any person voting on behalf of such a KMP or Closely Related Party), unless the person does so as a proxy and:
 - i. the vote is not cast on behalf of any KMP whose remuneration details are included in the Remuneration Report (or any Closely Related Party of such KMP); and
 - ii. either:
 - (A) that person is appointed as a proxy by writing that specifies how the proxy is to vote on the resolution; or
 - (B) that person is the Chair, the proxy appointment does not specify the way the proxy is to vote on the resolution and the proxy appointment expressly authorises the Chair to exercise the proxy even if that resolution is connected directly or indirectly with the remuneration of a KMP.
- b. Any KMP whose remuneration details are not included in the Remuneration Report (and any Closely Related Party of such a KMP) that is appointed as a proxy where the proxy appointment does not specify the way the proxy is to vote on the resolution, unless:
 - i. the proxy is the Chair of the Meeting; and
 - ii. the proxy appointment expressly authorises the Chair to exercise the proxy even if that resolution is connected directly or indirectly with the remuneration of a KMP.

Item 3: Re-election of Dr. Ronald Watts (Resolution 2)

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

"That Dr. Ronald Watts, a Director of Energy Action Limited retiring in accordance with the Constitution, is re-elected as a Director of Energy Action Limited."

Special Business

Item 4: Approval of Performance Rights and Options Plan (Resolution 3)

To consider, and if thought fit, pass the following **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.2 (Exception 9b) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme, being the Performance Rights and Options Plan (Plan) and for the issue of securities under that Plan, on the terms and conditions set out in Schedule 1 of the Explanatory Memorandum accompanying this Notice."

Voting Exclusion Statement for Resolution 3

The Company will disregard any votes cast on Resolution 3 by:

- a. any director of the Company (except a director who is ineligible to participate in any employee incentive scheme in relation to Energy Action); and
- b. any associate of any such director,

However, the company need not disregard a vote cast on Resolution 3 if:

- c. it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- d. it is cast by the Chairman of the AGM as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In addition, a vote must not be cast for this resolution by any Key Management Personnel or a Closely Related Party of such Key Management Personnel, acting as a proxy, if their appointment does not specify the way the proxy is to vote on the resolution. However, this voting exclusion does not apply if the Chairman of the AGM is acting as a proxy for a person who is entitled to vote and the appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected, directly or indirectly, with the remuneration of a member of the Key Management Personnel.

For more information on the proposed resolutions, please refer to the accompanying Explanatory Memorandum attached to this Notice of 2016 Annual General Meeting in relation to agenda items 1 to 4.

By order of the Board



Mr Murray Bleach
Chairman

7 October 2016

Explanatory Memorandum

The information below is an explanation of the business to be considered at the Meeting.

Ordinary Business

Item 1: Financial Report, Directors' Report and Auditor's Report

As required by the Corporations Act 2001 (Cth) (**Corporations Act**), the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2016 will be laid before the Meeting. There is no requirement for a formal resolution on this item. However, the Chair of the Meeting will allow a reasonable opportunity for the Shareholders as a whole at the Meeting to ask questions about, or make comments on, those reports.

A copy of the Company's 2016 Annual Report (which includes the Financial Report, the Directors' Report and the Auditor's Report) is available at www.energyaction.com.au. A copy of the 2016 Annual Report will be sent to those Shareholders that requested one. Shareholders who wish to receive a hard copy of the 2016 Annual Report should contact Link Market Services.

During this item of business an opportunity will be given to Shareholders to ask questions about, or make comments on, the 2016 Annual Report and management of Energy Action.

Similarly, a reasonable opportunity will be given to Shareholders, as a whole, to ask the Auditor questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by Energy Action in relation to the preparation of its financial statements and the independence of the Auditor in relation to the audit for the year ended 30 June 2016.

Shareholders may also submit written questions directed to the Auditor using the form enclosed. Relevant written questions for the Auditor must be received by no later than 5.00pm (AEDT) on Thursday, 3 November 2016.

Item 2: Adoption of Remuneration Report (Resolution 1)

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption.

The Resolution is advisory only and does not bind the Directors. However, in accordance with the provisions of the Corporations Act (known generally as the 'two strikes rule'), if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Meeting (constituting the first strike), and then again at the 2017 annual general meeting (constituting the second strike), Energy Action will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the re-election of all of the Directors of Energy Action (**Spill Resolution**).

Under the Corporations Act, if more than 50% of those present and voting at the 2017 annual general meeting vote in favour of a Spill Resolution, Energy Action must convene an extraordinary general meeting (**Spill Meeting**) within 90 days of the 2017 annual general meeting. All of the Directors who were in office when the 2016 Directors' Report was approved by the Board will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting, those persons whose election or re-election as Directors is approved, will be the Directors of Energy Action.

The Remuneration Report provides Shareholders with an understanding of:

- the Company's remuneration policies as they relate to KMP as defined under the Corporations Act;
- The link between remuneration and the Company's performance; and
- Individual outcomes for the Company's executives and Directors.

A copy of the Remuneration Report, which is part of the 2016 Preliminary Final Report, lodged with the ASX on 18 August 2016, is available on the Company's website.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

Item 3: Re-election of Dr Ronald Watts as a director (Resolution 2)

Dr Ronald Watts co-founded Energy Action, and was the non-executive Chairman up until 2015. He has worked at chief executive and board level across a range of technology based enterprises and at senior levels in government. He is currently a director of cancer therapy biotech Biosceptre Limited. Dr Watts' management experience spans the software and telecommunications industries, and as a consultant, he has worked with companies on strategy and fund-raising in biotechnology, utilities, food processing and energy.

Dr Watts has a Bachelor of Science (Honours) from the University of New South Wales and a PhD from Cambridge University. He has also completed a graduate diploma in business, majoring in finance. He has held academic posts of Associate Professor and Adjunct Research Fellow, and now works on occasional voluntary projects training young people in Pacific Island nations.

Dr Watts is an independent non-executive Director and is a member of the Nomination Committee.

Directors' recommendation

The Directors (other than Dr Watts) unanimously recommend you vote in favour of Resolution 2.

Item 4: Approval of the Performance Rights and Option Plan (Resolution 3)

Background

Resolution 3 seeks Shareholder approval for the issue of Equity Securities under the Company's Performance Rights and Options Plan (**the Plan**) which was previously approved by shareholders at the Company's Annual General Meeting in 2013.

The Plan is designed to reward senior executive personnel for the effective implementation of strategies that deliver sustained growth in Shareholder wealth and to attract and retain talented personnel. The ASX Corporate Governance Council Guidelines recommend that executive remuneration packages involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to and commensurate with the company's circumstances and goals.

A full copy of the Energy Action Limited Performance Rights and Options Plan is available for inspection at the Company's registered office until the date of the Meeting.

Listing Rules

Listing Rule 7.1 provides that, in summary, a listed entity must not issue or agree to issue a number of Equity Securities in any 12 month period that exceeds 15% of the number of Equity Securities of the entity on issue at the commencement of the 12 month period, except with the prior approval of security holders of the entity in general meeting, unless one of the exceptions contained in ASX Listing Rule 7.2 applies.

Exception 9 to ASX Listing Rule 7.2 provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of Equity Securities under the scheme as an exception to ASX Listing Rule 7.1

If Resolution 3 is passed, the Company will be able to issue Equity Securities under the Plan to eligible participants over a period of 3 years after the Meeting without impacting on the Company's 15% placement capacity thereby enhancing the Company's flexibility to raise capital in the future.

This exception does not apply to issues to Directors (and their associates) or related parties (and their associates) as any issues to such persons will require separate approval under ASX Listing Rules 10.14 and 10.11 respectively.

For the purposes of Exception 9(b) of the Listing Rule 7.2, the directors advise that:

- a summary of the terms of the Plan is set out in the table below;
- Since the date of the last shareholder approval of the issue of equity securities under the Plan at the Company's Annual General Meeting in 2013, 1,247,137 Performance Rights have been issued under the Plan.
- A voting exclusion statement in respect to Resolution 3 is set out in the Notice of Meeting.

Summary of the key terms

Plan overview	The Board may, from time to time, in its absolute discretion, make or cause to be made invitations to Eligible Persons to participate in the Plan or make offers of Performance Rights or Options to those Eligible Persons.
Eligible Persons	<p>An employee or director of the Company Group (other than a non-executive Director) or any other person whom the Board determined to be eligible to participate in the Plan from time to time.</p> <p>An Eligible Person who accepted an offer under the Plan will be referred to below as a Participant under the Plan.</p>
Securities offered	<p>Performance Rights and Options may be offered by the Board under the Plan.</p> <p>Each Performance Right will on vesting, or Option will on exercise, equate to one Share (ranking equally with all existing Shares). Performance Rights and Options will not be quoted on the ASX.</p>
Source of Shares	<p>On exercise of the Options or vesting of the Performance Rights:</p> <ul style="list-style-type: none"> ▪ new Shares may be issued; and/or ▪ existing Shares may be transferred and/or purchased on market, by the Company.
Consideration for grant	For each offer made under the Plan, the Board will determine the amount (if any) payable by the Participant to acquire the Performance Rights or Options.
Consideration for exercise of Options	For each offer of Options made under the Plan, the Board will determine the amount (if any) of the exercise price payable to acquire the Company's Shares.
Conditions to vesting	<p>Vesting of securities shall occur in accordance with the terms of the relevant offer of the Performance Rights or Options which the Board has the discretion to determine. For each offer under the Plan, the Board may determine that Performance Rights or Options are subject to conditions or performance hurdles that must be satisfied before vesting.</p> <p>The Board may waive, amend or replace any vesting condition or performance hurdle attaching to a Performance Right or Option (without consent of the participant) if the Board determined the original condition is no longer appropriate or applicable or requires amendment (e.g. to comply with law) provided the interests of the relevant Participant is not (in the Board's opinion) materially prejudiced or in a superior position to that at the date of grant.</p>
Lapsing of Performance Rights and Options	<p>A Performance Right or Option, issued under the Plan, but subject to disposal restrictions (if any), will lapse at the earlier of:</p> <ul style="list-style-type: none"> ▪ the expiry date (if any); ▪ failure to meet a condition to vesting or performance hurdle ▪ within the applicable performance period; ▪ the occurrence of a forfeiture condition (if any); and ▪ the Participant is determined by the Board, to have acted fraudulently or dishonestly or is in breach of his or her obligations to the Company Group; ▪ cessation of employment with the Company Group (unless the Board determines otherwise); ▪ the Participant commits an act or omission justifying summary dismissal in relation to the Company Group. <p>Where due to reasons of death, permanent disability or bona fide redundancy, a Participant ceases to be employed by the Group before any conditions to vesting are achieved, the Board has an absolute discretion to accelerate and vest any unvested Performance Rights or Options.</p>

Summary of the key terms

Plan Limit	The maximum number of Performance Rights and/or Options that may be offered under the Plan (or any other plan or similar arrangement) will not, when aggregated with the number of Shares on issue, exceed the 5% threshold set out in ASIC Class order 14/1000 such that the Company would need to create and lodge a prospectus or offer information statement with ASIC in order to offer or issue the securities.
Disposal Restrictions	Unless the Board determines otherwise, a Participant must not sell, transfer, dispose of or otherwise deal with any Performance Rights or Options granted to them, except to a Participant's legal personal representative as permitted by the Plan. For each offer under the Plan, the Board may also determine that additional disposal restrictions and/or forfeiture conditions apply to shares issued to Participants or vesting of Performance Rights or exercise of Options.
Administration	The Plan will be administered by the Board, which has absolute discretion to determine appropriate procedures for the Plan's administration, resolve any questions of fact or interpretation, determine matters falling for determination and delegate to any person (including to appoint an administrator).
Change of control	<p>If there is a control event, the Board may in its discretion:</p> <ul style="list-style-type: none"> ▪ vest all or any of the Performance Rights whether or not the Vesting Conditions have been met; and/or ▪ permit the exercise of some or all Options whether or not the Vesting Conditions have been met; and/or ▪ remove any disposal restrictions whether or not all requirements have been met. <p>Control event means any person:</p> <ul style="list-style-type: none"> ▪ acquiring 50% or more of the votes in the Company; ▪ acquiring the right to appoint or remove directors who possess 50% or more of the votes that may be cast at a meeting of the Board; ▪ acquiring the right to 50% or more of the profits or distributions of the entity or its net liquidation proceeds; or ▪ any other event which the Board reasonably considers should be regarded as a control event.
Amendments	The Board may at any time amend the Plan subject to certain exceptions, in a manner which does not materially prejudice the rights of the Plan's Participants in respect of their Performance Rights or Options issued under the Plan (unless otherwise consented to by the Participant) or the terms and conditions on which Performance Rights or Options have been issued under the Plan.
Termination or suspension of the Plan	The Board may terminate or suspend the operation of the Plan at any time provided that the termination or suspension does not prejudicially affect the existing rights of Participants at that time.
Reorganisation	If at any time the capital of the company is re-organised (including consolidation, subdivision, reduction or return), the terms of the Performance Rights and Options will be reconstructed in a manner consistent with the Listing Rules.

Directors' recommendation

The Directors unanimously recommend that you vote in favour of Resolution 3.

Glossary

Annual Report	means the annual report of Energy Action that includes the financial report, the Directors' report and the independent audit report for the period ended 30 June 2016.
ASX	means ASX Limited or the Australian Securities Exchange, as the context requires.
Auditor	means Ernst & Young, the Company's external auditor.
Board	means board of Directors of Energy Action Limited.
Closely Related Party	In relation to a member of the KMP, means the member's spouse, child or dependant (or a child or dependant of the member's spouse), anyone else in the member's family who may be expected to influence or be influenced by the member in the member's dealing with Energy Action (or the Energy Action Group), and any company the member controls.
Company or Energy Action	means Energy Action Limited (ACN 137 363 636).
Company Group	means all of the Company and its subsidiaries (as defined in the section 46 of the Corporations Act) or any one of them as the context requires.
Constitution	means the constitution of Energy Action Limited.
Corporations Act	means the Corporations Act 2001 (Cth).
Directors	means the directors of the Company.
Equity Securities	includes a share, a right to a share or option, an option, a convertible security and any security that ASX decides to classify as an Equity Security.
KMP	means key management personnel having authority and responsibility for planning, directing or controlling the activities of the Company, whether directly or indirectly including any director (whether executive and non-executive) of the entity.
Listing Rules	means Listing Rules of ASX.
Meeting	means the meeting the subject of this Notice of Meeting to be held on Thursday, 10 November 2016 at the offices of DLA Piper, Level 22, 1 Martin Place, Sydney NSW at 2.30pm (AEDT).
Notice of Meeting or Notice	this notice of Meeting and any notice of any adjournment of the Meeting.
Performance Right	means a right granted by the Board to receive fully paid Shares in the Company in accordance with the terms on which they are issued (including service and vesting conditions) under the Performance Rights and Options Plan.
Plan	means the Performance Rights and Options Plan
Share	means an ordinary share in the Company.
Shareholder	a registered holder of one or more Shares.



energyaction.com.au

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Energy Action Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000



FOR ALL ENQUIRIES CALL:

Telephone: +61 1800 451 641 (free call within Australia)

PROXY FORM

I/We being a member(s) of Energy Action Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **2:30pm on Thursday, 10 November 2016 at DLA Piper, Level 22, 1 Martin Place, Sydney NSW (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 1 and 3: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 and 3, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

For Against Abstain*

1 Adoption of Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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2 Re-election of Dr. Ronald Watts

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3 Approval of Performance Rights and Options Plan

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:30pm on Tuesday, 8 November 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Energy Action Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

LODGE YOUR QUESTIONS



ONLINE

www.linkmarketservices.com.au



BY MAIL

Energy Action Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000



FOR ALL ENQUIRIES CALL:

Telephone: +61 1800 451 641 (free call within Australia)

Please use this form to submit any questions about Energy Action Limited ("the Company") that you would like us to respond to at the Company's 2016 Annual General Meeting. Your questions should relate to matters that are relevant to the business of the meeting, as outlined in the accompanying Notice of Meeting and Explanatory Memorandum. If your question is for the Company's auditor it should be relevant to the content of the auditor's report, or the conduct of the audit of the financial report.

This form must be received by the Company's share registrar, Link Market Services Limited, by **5:00pm on Thursday, 3 November 2016**.

Questions will be collated. During the course of the Annual General Meeting, the Chairman of the Meeting will endeavour to address as many of the more frequently raised shareholder topics as possible and, where appropriate, will give a representative of the Company's auditor, the opportunity to answer written questions submitted to the auditor. However, there may not be sufficient time available at the meeting to address all topics raised. Please note that individual responses will not be sent to shareholders.

My question relates to *(please mark the most appropriate box)*

☐
☐
☐

Performance or financial reports
Remuneration Report
My question is for the auditor

☐
☐
☐

A resolution being put to the AGM
Sustainability/Environment
Future direction

☐
☐

General suggestion
Other

☐
☐
☐

Performance or financial reports
Remuneration Report
My question is for the auditor

☐
☐
☐

A resolution being put to the AGM
Sustainability/Environment
Future direction

☐
☐

General suggestion
Other

QUESTIONS