

ENERGY FOCUS, INC.

AUDIT AND FINANCE COMMITTEE CHARTER

MEMBERSHIP

The Audit and Finance Committee (the “**Committee**”) of the board of directors (the “**Board**”) of Energy Focus, Inc. (the “**Company**”) shall consist of three or more directors. Each member of the Committee shall be independent in accordance with the requirements of Rule 10A-3 of the Securities Exchange Act of 1934 and, to the extent then applicable or if the Board has specified such standard as the standard for determining independence of the members of the Committee, the rules of the Nasdaq Stock Market.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement. At least one member of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background that leads to financial sophistication. At least one member of the Committee must be an “audit committee financial expert” as defined in Item 407(d)(5)(ii) of Regulation S-K. A person who satisfies this definition of audit committee financial expert will also be presumed to have financial sophistication.

The members of the Committee shall be appointed by the Board based on the recommendations made by the Company’s Nominating and Corporate Governance Committee. The members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

PURPOSE

The purpose of the Committee is to oversee the Company’s accounting and financial reporting processes and the audit of the Company’s financial statements.

The primary role of the Committee is to oversee the financial reporting and disclosure process. To fulfill this obligation, the Committee relies on (i) management for the preparation and accuracy of the Company’s financial statements and for establishing effective internal controls and procedures to ensure the Company’s compliance with accounting standards, financial reporting procedures and applicable laws and regulations and (ii) the Company’s independent auditors for an unbiased, diligent audit or review, as applicable, of the Company’s financial statements and the effectiveness of the Company’s internal controls. The members of the Committee are not employees of the Company and are not responsible for conducting the audit or performing other accounting procedures.

DUTIES AND RESPONSIBILITIES

The Committee shall have the following authority and responsibilities:

1. To (i) select and retain an independent registered public accounting firm to act as the Company's independent auditors for the purpose of auditing the Company's annual financial statements, books, records, accounts and internal controls over financial reporting, (ii) set the compensation of the Company's independent auditors, (iii) oversee the work done by the Company's independent auditors and (iv) terminate the Company's independent auditors, if necessary.
2. To select, retain, compensate, oversee and terminate, if necessary, any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.
3. To pre-approve all audit and permitted non-audit and tax services that may be provided by the Company's independent auditors or other registered public accounting firms, and establish policies and procedures for the Committee's pre-approval of permitted services by the Company's independent auditors or other registered public accounting firms on an on-going basis.
4. At least annually, to obtain and review a written report by the Company's independent auditors that describes all relationships between the firm and the Company or any of its subsidiaries, and to discuss with the independent auditors this report and any relationships or services that may impact the objectivity and independence of the auditors.
5. At least annually, to evaluate the qualifications, performance and independence of the Company's independent auditors, and consider regular rotation of the accounting firm serving as the Company's independent auditors.
6. To review and discuss with the Company's independent auditors (i) the auditors' responsibilities under generally accepted auditing standards and the responsibilities of management in the audit process, (ii) the overall audit strategy, (iii) the scope, objective and timing of the annual audit and the annual audit engagement letter and agree to its terms, (iv) any significant risks identified during the auditors' risk assessment procedures and (v) when completed, the results, including significant findings, of the annual audit.
7. To review and discuss with the Company's independent auditors (i) all critical accounting policies and practices to be used in the audit; (ii) all alternative treatments of financial information within U.S. generally accepted accounting principles ("GAAP") that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the auditors; and (iii) other material written communications between the auditors and management.
8. To (i) review and discuss with the Company's independent auditors and management (a) any audit problems or difficulties, including difficulties encountered by the Company's independent auditors during their audit work (such as restrictions on the scope of their activities or their access to information), (b) any significant disagreements with management and (c) management's response to these problems, difficulties or disagreements and (ii) resolve any disagreements between the Company's auditors and management. The audit committee should consider discussing (i) any accounting

adjustments that were noted or proposed by the auditor but were “passed” (as immaterial or otherwise), (ii) any communications between the members of the audit team and the audit firm’s national office regarding auditing or accounting issues presented by the engagement and (iii) any “management” or “internal control” letter issued, or proposed to be issued, by the audit firm to the Company.

9. To review with management and the Company’s independent auditors (i) any major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company’s selection or application of accounting principles, (ii) any significant financial reporting issues and judgments made in connection with the preparation of the Company’s financial statements, including the effects of alternative GAAP methods and (iii) the effect of regulatory and accounting initiatives and off-balance sheet structures on the Company’s financial statements. The audit committee should also discuss with the independent auditor any uncorrected and corrected misstatements. The audit committee should receive a schedule of uncorrected misstatements from the auditor.
10. To review with management and the Company’s independent auditors the adequacy and effectiveness of the Company’s internal controls, including any significant deficiencies or material weaknesses in the design or operation of, and any material changes in, the Company’s internal controls and any special audit steps adopted in light of any material control deficiencies, and any fraud involving management or other employees with a significant role in such internal controls, and review and discuss with management and the Company’s independent auditors disclosure relating to the Company’s internal controls, the independent auditors’ report on the effectiveness of the Company’s internal control over financial reporting and the required management certifications, to be included in or attached as exhibits to the Company’s annual report on Form 10-K or quarterly report on Form 10-Q, to the extent applicable.
11. To review and discuss with the Company’s independent auditors any other matters required to be discussed by *PCAOB Auditing Standards No. 16, Communications with Audit Committees*, including, without limitation, the auditors’ valuation of the quality of the company’s financial reporting, information relating to significant unusual transactions and the business rationale for such transactions and the auditors’ evaluation of the company’s ability to continue as a going concern.
12. To review and discuss with the Company’s independent auditors and management the Company’s annual audited financial statements (including the related notes), the form of audit opinion to be issued by the auditors on the financial statements and the disclosure under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” to be included in the Company’s annual report on Form 10-K before the Form 10-K is filed.
13. To recommend to the Board that the audited financial be included in the Company’s Form 10-K and produce the audit committee report required to be included in the Company’s proxy statement.

14. To review and discuss with the Company's independent auditors and management the Company's quarterly financial statements and the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations" to be included in the Company's quarterly report on Form 10-Q before the Form 10-Q is filed.
15. To review and discuss with management and the Company's independent auditors the Company's earnings press releases, including the type of information to be included and its presentation and the use of any pro forma or adjusted non-GAAP information, and any financial information and earnings guidance provided to analysts and ratings agencies, including the type of information to be disclosed and type of presentation to be made.
16. To review and discuss with management and the Company's independent auditors policies and guidelines to govern the process by which management assesses and manages the Company's legal, compliance and major financial risks, including the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
17. To review the Company's compliance with applicable laws, regulations, and standards of business conduct and ethics for the Company's employees and directors, and to monitor compliance with the Company's Code of Ethics and Business Conduct (the "**Code**"), to investigate any alleged breach or violation of the Code by an officer or director of the Company or as otherwise appropriate to enforce the provisions of the Code and to review the Code periodically and recommend any changes to the Board.
18. To establish and oversee procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.
19. To review, approve and oversee any transaction between the Company and any related person (as defined in Item 404 of Regulation S-K) and other potential conflict of interest situations on an ongoing basis, in accordance with Company policies and procedures.
20. To review and discuss such other matters that relate to the accounting, auditing and financial reporting practices and procedures of the Company as the Committee may, in its own discretion, deem desirable in connection with the review functions described above.
21. To report its activities and related recommendations regularly to the Board in such manner and at such times as the Committee and the Board deem appropriate, but in no event less than once a year. Such report should include a review of any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements or the performance and independence of the Company's independent auditors.
22. The Committee, in carrying out its responsibilities, policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The Committee should take appropriate actions to set the overall corporate "*tone*" for quality financial reporting, sound business risk practices and ethical behavior.

23. To perform any other duties or responsibilities required by law, the Certificate of Incorporation, as amended, or Bylaws of the Company or that are delegated to the Committee by the Board from time to time.

OUTSIDE ADVISORS

The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of any outside counsel and other advisors.

The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to the Company's independent auditors, any other accounting firm engaged to perform services for the Company, any outside counsel and any other advisors to the Committee.

STRUCTURE AND OPERATIONS

The Board shall designate a member of the Committee as the chairperson. The Committee shall meet at least four times a year at such times and places as it deems necessary to fulfill its responsibilities. The Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

The Committee may request any officer or employee of the Company or the Company's outside legal counsel or independent auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

The Committee shall meet separately, and periodically, with management, and representatives of the Company's independent auditors, and shall invite such individuals to its meetings as it deems appropriate, to assist in carrying out its duties and responsibilities. However, the Committee shall meet regularly without such individuals present.

The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

DELEGATION OF AUTHORITY

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

PERFORMANCE EVALUATION

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

As amended on November 10, 2021.