



ENTERPRISE-WIDE RISK MANAGEMENT POLICY

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www.iconenergy.com

The Icon Energy Policy on Enterprise-Wide Risk Management

1.0 POLICY PURPOSE

The effective identification of potential risks and the management of those risks is paramount to Icon Energy Limited (**Icon Energy** or **Company**). The Icon Energy Board recognises that as part of its commitment to good corporate governance, the Board is responsible for overseeing the establishment and implementation by management of the Company's enterprise wide risk management system and management of the Company's risks including material business risks. The Board will set the Policy and management will establish and implement a framework to achieve the Policy objectives having regard to the size of the Company and its limited resources and personnel.

2.0 POLICY STATEMENT

This policy seeks to maintain risk management practices that provide a consistent, systematic view of the material risks arising in the course of all of the Company's activities. The practices will be consistent with the guidelines and principles of risk management as set out in the Australian Risk Management Standard AS/NZS ISO 31000:2009 and sound business practice.

The Company's aim is to establish a culture that is risk aware, but not risk averse, and where risk control and mitigation is cost effective and contributes to strategic objectives.

The Company will have a consolidated view of its risks developed in accordance with a company-wide risk management framework.

3.0 RISK MANAGEMENT APPROACH

Risk management will be embedded within all material aspects of the Company's operations. Risks will be managed in accordance with the Company's Risk Management Framework. The framework provides guidance on the identification, assessment, treatment, monitoring and reporting of risks. It also defines the methods by which this will be done.

Any material changes to the risk rating methodology in the Company's Risk Management Framework will be reported to the Audit & Risk Management Committee.

As a minimum, all risk types will be evaluated at a high level using the Company's Risk Management Framework. This enables a consistent view of all the different types of risk across the organisation under one methodology.

The Company will maintain a system to capture and store risk information set out in the Framework.

Management will use insurance to transfer some of the Company's risk where policies exist and are reasonably priced. As a minimum the Company will maintain insurance policies as required by regulation or legislation or good business practice.

The Company will allocate appropriate resources for managing its risks.

On a six monthly basis in conjunction with the approval of annual and half year financial reports the Board will seek assurance from the Managing Director and the Chief Financial Officer that the declarations provided in accordance with section 295A of the Corporations Act are founded on a sound system of risk management and internal control; and that the system is operating effectively in all material aspects in relation to financial reporting risks.

4.0 RESPONSIBILITIES

4.1 Board of Directors

Ultimate responsibility for all risk rests with the Board. The Board has allocated responsibility to the Audit & Risk Management Committee as defined in its Committee's Charter and to management in line with delegations and risk management framework guidelines. The Board maintains responsibility for managing the high level strategic risks facing the Company.

The Board of Directors is responsible for ensuring that risks are effectively managed within the Company.

4.2 Audit & Risk Management Committee

Under its Charter the Audit and Risk Management Committee is responsible for:

- Monitoring the establishment and implementation by management of the Company's risk management system;
- Monitoring the effectiveness of the systems of financial risk management, governance and internal control;
- Recommending for Board approval a risk management policy which describes the manner in which both risk and opportunity are identified, assessed, monitored and managed, including how:
 - Significant decisions affecting, and changes to, the business are subject to risk assessment;
 - Operational incidents be analysed in order to learn from them, and successes reviewed in order to repeat them;
 - All acquisitions and divestments of assets be subject to risk assessment and management;
 - Risks and associated control systems be regularly reviewed;
 - Risk management plans be maintained and regularly reviewed; and
 - Performance against risk management plans be monitored and reported upon to the Board.

4.3 Managing Director

The Managing Director, in conjunction with senior executives is required to develop, implement and manage Icon Energy's risk management and internal control framework. The Managing Director reports to the Board on the management of these functions, including as to whether the Company's material operational and business risks are being effectively managed.

In particular the Managing Director and senior executives are responsible for:

- Managing strategic risk;
- Ensuring that the Company's risk management structure, policies and practices are subject to effective and comprehensive review;
- Actively promoting the use of risk management processes in accordance with this policy;
- Reviewing risk management reporting;
- Ensuring sufficient resources are made available for risk management; and
- Setting the risk management tone for staff and ensuring cultural alignment with risk management policy.

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