



## **BOARD CHARTER AND THE ROLE OF MANAGEMENT**

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The Icon Energy Group Board Charter and the Role of Management

## **1.0 POLICY INTRODUCTION**

It is the aim of Icon Energy Limited (Icon Energy or Company) to meet the corporate governance requirements recommended by the Australian Securities Exchange (ASX), with a framework designed to:

- enable the Board to provide strategic guidance for the Company and effective oversight of management;
- clarify the respective roles and responsibilities of Board members and senior executives in order to facilitate Board and senior executives accountability to both the Company and its shareholders; and
- ensure a balance of authority so that no single individual has unfettered powers.

## **2.0 ROLE OF THE BOARD AND ITS MEMBERSHIP**

The Board is responsible for corporate governance of Icon Energy. It oversees the business and affairs of Icon Energy, establishes the strategies and financial objectives to be implemented by management and monitors standards of performance. Those responsibilities and the powers reserved to it are set out below in detail.

The membership of the Board will be directed by the following requirements:

- The constitution of the Company specifies that there must be at least the minimum number of directors as required by law;
- The Board must consist of a majority of independent directors who satisfy the criteria for independence adopted by the Board;
- The Chairman of the Board must be an independent director who satisfies the criteria for independence adopted by the Board; and
- The Board should, collectively, have the appropriate level of personal qualities, skills, experience and time commitment to properly fulfil its responsibilities or have ready access to such skills where they are not available.

The Board may establish committees to assist it in carrying out its responsibilities. The Board will adopt charters setting out the membership, administration, purpose, responsibilities and functions appropriate to that committee.

### **2.1 Role of the Chairman**

In addition to his or her role as a director, the role of the Chairman includes:

- ensuring the Board provides leadership and vision to the Company;
- in conjunction with the Company Secretary, preparing the Board agenda;
- leading the Board, including presiding over Board meetings and company meetings and directing Board discussions to effectively use the time available to address the critical issues facing Icon Energy;
- ensuring Board minutes properly reflect Board decisions;

- developing an ongoing relationship with the Managing Director, such that the Chairman is kept fully informed of the day-to-day matters of interest to the Board;
- acting as a mentor for the Managing Director;
- facilitating the effective contribution of directors including the commencement of the annual process of Board and director performance evaluation;
- promoting constructive and respectful relations between Board members and between Board and senior executives;
- together with the Board facilitating the assessment of the Managing Director's performance; and
- guiding the ongoing effectiveness and development of the Board and individual directors.

## **2.2 Role of the Managing Director**

The Managing Director is responsible to the Board for the overall management and performance of the Company. The Managing Director should manage Icon Energy in accordance with the strategy, plans, practices and policies approved by the Board to achieve the agreed objectives.

In particular the Managing Director's responsibilities include:

- recommend the Company's corporate strategy to the Board for approval and once it is approved, implement the corporate strategy;
- assume day to day responsibility for Icon Energy's conformance with relevant laws and regulations and its compliance framework;
- achieve the performance targets set by the Board;
- develop, implement and manage Icon Energy's risk management and internal control frameworks;
- develop, implement and update Icon Energy's policies, procedures and systems;
- be alert to relevant trends in the oil and gas industry and the Company's operating environment;
- provide sufficient and relevant information to the Board to enable the Board to effectively discharge its responsibilities;
- act as a conduit between the Board and Icon Energy;
- manage the Company's human, physical and financial resources to achieve Icon Energy's objectives;
- being the conduit through which the Board is provided sufficient and relevant information to act effectively;
- providing leadership to Icon Energy and acting as the Company's interface with its operating environment and the general business and investment community;
- referring all matters outside of the Managing Director's delegation to the Board for approval; and
- such other responsibilities as delegated by the Board from time to time.

All directors will have access to the Managing Director.

## 2.3 Role of Individual Directors

The role of directors includes:

- contributing to Board activities to the best of their abilities and with the level of skill and care expected;
- discharging their duties in good faith and honestly in the best interests of Icon Energy;
- using the powers of office for proper purpose, in the best interests of Icon Energy as a whole;
- acting with the required care and diligence, demonstrating commercial reasonableness in their decisions;
- avoiding conflicts of interest, not allowing personal interests, or the interests of any associated person, to conflict with the interests of the Company;
- not making improper use of information gained through their position of director;
- making reasonable enquiries to ensure that Icon Energy is operating effectively, efficiently and legally toward achieving its objectives;
- undertaking diligent analysis of all proposals placed before the Board;
- serving on Board committees as required;
- participating in the appointment of new directors and directors performance evaluation; and
- acting in accordance with the duties and obligations imposed on them and the Board by the constitution and the law.

## 2.4 Role of the Company Secretary

The Company Secretary is generally responsible for carrying out the administrative and statutory requirements of the Board by:

- coordinating the development of the agenda in a timely and effective manner for approval by the Chairman;
- ensuring, in conjunction with the Managing Director, that the board papers are prepared in a timely and effective manner;
- ensuring the timely dispatch of the agenda and board papers;
- coordinating, organising and attending meetings of the Board and shareholders, and ensuring the correct procedures are followed;
- drafting and maintaining minutes of Board and members meetings;
- working in conjunction with the Managing Director and senior executives, to carry out the instructions of the Board and giving practical effect to the Board's decisions;
- working with the Chairman and Managing Director to establish and deliver governance practices that meet the ASX requirements; and
- assisting Directors to meet their duties and obligations as Directors.

All directors will have access to the Company Secretary.

### **3.0 RESPONSIBILITIES OF THE BOARD**

The full range of the Board's responsibilities is extensive and in addition to the matters required by law, includes the following:

#### **3.1 Performance**

- ensuring Icon Energy's long term viability and enhancing its financial position;
- providing oversight and final approval of the Company's corporate strategy;
- monitoring senior executives implementation of Icon Energy's corporate strategy;
- approving and monitoring the business plan, budget and corporate policies;
- monitoring and assessing performance of the Company and the Board itself;
- overseeing the process of strategic management of current corporate projects;
- overseeing the risk management framework and monitoring of material business risks;
- approving risk management policies and monitoring compliance with those policies;
- monitoring developments in the oil and gas industry and the operating environment; and
- keeping abreast of developments in corporate governance through continuous professional development.

#### **3.2 Compliance / Legal Conformance**

- understanding and protecting Icon Energy's financial position;
- requiring and monitoring legal and regulatory compliance;
- reviewing and approving annual accounts, annual reports and other public documents and sensitive reports;
- approval of and monitoring of financial and other reporting; and
- ensuring an effective system of internal controls exists and is operating as expected.

#### **3.3 Governance**

- establishing Icon Energy's vision, mission, values and ethical standards to be reflected in a Code of Conduct and Ethics;
- monitoring compliance with ethical standards;
- delegating an appropriate level of authority to management and approving any additional changes to those delegations;
- ensuring appropriate resources are available to senior executives;
- demonstrating corporate leadership;
- assuming responsibility for the relationship with the Managing Director including his/her appointment, succession, performance assessment, remuneration and dismissal;
- where appropriate, ratifying the appointment and, the removal of senior executives;
- overseeing aspects of the employment of senior executives including remuneration, performance and succession planning;
- selecting auditors;
- recommending the appointment, and reviewing the performance, of directors;
- appointing the members of Board committees;
- ensuring effective communication to shareholders, staff and other stakeholders;
- ensuring crisis management procedures are in place; and

- approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures.
- the issue of securities, subject to the requirements of the law;
- appointment of a Chairman;
- appointment and removal of the Managing Director and Company Secretary;
- appointment of directors to fill a casual vacancy or as additional directors;
- establishment of Board committees, their membership and authority;
- approval of dividends;
- corporate governance principles and policies;
- approval of major capital expenditure, capital management, and acquisitions and divestitures;
- calling of meetings; and
- any other specific matter nominated by the Board from time to time.

#### **4.0 ASSISTANCE TO BOARD TO FULFIL ROLES AND RESPONSIBILITIES**

Board members will be assisted by the Company to fulfil their roles and responsibilities in ways which include:

- the provision of induction materials for new directors in order to gain an understanding of Icon Energy's financial, strategic, operational and risk position, their rights, duties and responsibilities, the roles and responsibility of senior management and the role of Board committees;
- the offer by Icon Energy of an indemnity under the terms of the Company's constitution; and
- professional development opportunities to update and enhance their skills and knowledge.

This includes education concerning key developments in Icon Energy and in the industry and environment within which the Company operates.

#### **5.0 CONDUCT OF BOARD MEETINGS**

- Board meetings will be conducted in accordance with the constitution.
- A Chairman will be appointed in accordance with the constitution;
- The constitution provides that the quorum for a Directors' meeting is the number determined by Directors and if not so determined is two directors entitled to vote. The Directors have determined that a quorum will be three Directors including a minimum of two non-executive Directors;
- Board meetings are held at least every three months at venues, dates and times agreed, where practical, in advance;
- In the ordinary course, Board and committee papers will be provided to directors at least three clear business days before the meeting, unless the meeting has been called urgently;

- The agenda for each Board meeting will be approved by the Chairman of the meeting and where relevant, developed in consultation with the Managing Director, through the Company Secretary;
- Board and committee papers will contain sufficient and relevant information to enable directors to efficiently discharge their responsibilities and to make informed decisions on each of the agenda items for consideration; and
- The minutes of Board meetings will be circulated, approved and signed in accordance with previous Board Minutes Policy.

## **6.0 REVIEW**

The Board will review this charter on a regular basis.

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