



**NOTICE OF  
ANNUAL GENERAL  
MEETING 2015**

WEDNESDAY, 25 NOVEMBER 2015, 11:00am

THE ARTS CENTRE GOLD COAST  
LAKESIDE TERRACE, 135 BUNDALL ROAD, SURFERS PARADISE  
QUEENSLAND 4217

**Icon Energy Limited**  
**ABN 61 058 454 569**

## NOTICE OF MEETING

Notice is given that Icon Energy Limited (**Icon Energy**) or (**Company**) will hold its Annual General Meeting (**AGM**) at 11:00am (Queensland time) on Wednesday, 25 November 2015 in the Lakeside Terrace of the Arts Centre Gold Coast at 135 Bundall Road, Surfers Paradise, Queensland 4217.

### ORDINARY BUSINESS

#### Consideration of Financial Statements and Reports

To receive and consider the Financial Statements and Reports of the Directors and the Auditors for the financial year ended 30 June 2015 (**Financial Period**).

#### Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, pass the following as a non-binding resolution:

*“That the Company’s Remuneration Report for the financial year ended 30 June 2015 be adopted.”*

#### Advisory Vote

**The vote on this Resolution 1 is advisory only and does not bind the Directors of the Company**

#### Resolution 2 – Re-election of Mr Stephen Barry as a Director

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

*“That Mr Stephen Barry is re-elected, in accordance with ASX Listing Rule 14.4 and Article 70 of the Company’s Constitution, as a Director of the Company.”*

#### Resolution 3 – Re-election of Dr Kevin Jih as a Director

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

*“That Dr Kevin Jih is re-elected, in accordance with ASX Listing Rule 14.4 and Article 70 of the Company’s Constitution, as a Director of the Company.”*

### SPECIAL BUSINESS

#### Resolution 4 – Approval of the Participation of Mr Ray James, Managing Director, in the Icon Energy 2016 Short Term Incentive Offer

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

*“That for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the issue to the Managing Director, Mr Ray James, of Performance Rights, under the Icon Energy Limited 2016 Short Term Incentive offer upon the terms set out in the Explanatory Statement.”*

#### Resolution 5 – Approval of the Participation of Dr Kevin Jih, Chief Financial Officer, Executive Director and Company Secretary, in the Icon Energy 2016 Short Term Incentive Offer

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

*“That for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the issue to the Chief Financial Officer, Executive Director and Company Secretary, Dr Kevin Jih, of Performance Rights under the Icon Energy Limited 2016 Short Term Incentive offer upon the terms set out in the Explanatory Statement.”*

#### Resolution 6 – Approval of the Participation of Mr Ray James, Managing Director, in the Icon Energy 2016 Long Term Incentive Offer

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

*“That for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the issue to the Managing Director, Mr Ray James, of Performance Rights under the Icon Energy Limited 2016 Long Term Incentive offer upon the terms set out in the Explanatory Statement.”*

#### Resolution 7 – Approval of the Participation of Dr Kevin Jih, Chief Financial Officer, Executive Director and Company Secretary, in the Icon Energy 2016 Long Term Incentive Offer

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

*“That for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the issue to the Chief Financial Officer, Executive Director and Company Secretary, Dr Kevin Jih, of Performance Rights under the Icon Energy Limited 2016 Long Term Incentive offer upon the terms set out in the Explanatory Statement.”*

### VOTING RESTRICTIONS AND EXCLUSION STATEMENTS

#### Resolution 1

**Voting Restriction pursuant to Section 250R(4) of the Corporations Act 2001 (Cth) (Corporations Act)**

A vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of, the following persons:

- (a) a member of the 'key management personnel'<sup>1</sup> (**KMP**) whose remuneration details are included in the 2015 Remuneration Report; or
- (b) a closely related party<sup>2</sup> of such a KMP (including close family members and companies the KMP controls).

However, a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the proxy appointment is in writing that specifies the way the proxy is to vote (eg. for, against, abstain) on the resolution; or
- (b) the vote is cast by the Chairman of the meeting and the appointment of the Chairman as proxy:
  - (i) does not specify the way the proxy is to vote on the resolution; and
  - (ii) 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 KMP.

## Resolutions 4, 5, 6 and 7

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on each of resolutions 4, 5, 6 and 7 by or on behalf of Mr Ray James and Dr Kevin Jih (being the only Directors eligible to participate in the Icon Energy Performance Rights Plan) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or is cast by a person chairing the meeting as a 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 accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast on each of resolutions 4, 5, 6, and 7 by a member of the KMP or their Closely Related Parties who has been appointed as a proxy unless:

- (a) the voter does so as a proxy for a person who is permitted to vote in accordance with a direction on the proxy form; or
- (b) the voter is the Chairman and the appointment of

the Chairman as proxy:

- (i) does not specify the way the proxy is to vote on the resolution; and
- (ii) 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 KMP.

**The Chairman of the Meeting intends to vote all available proxies in favour of each resolution.**

## By Order of the Board

Signed for and on behalf of Icon Energy Limited by:



Dr Kevin Jih  
Company Secretary  
7 October 2015

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<sup>1</sup>'key management personnel' has the meaning as defined in Section 9 of the *Corporations Act 2001*.

<sup>2</sup>'closely related party' has the meaning as defined in Section 9 of the *Corporations Act 2001*.

# NOTICE OF MEETING

## NOTES

### 1. Shareholders Eligible to Vote

In accordance with the Company's Constitution and Reg 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that persons who are registered holders of shares of Icon Energy as at 11:00am (Queensland time) on 23 November 2015 will be entitled to attend and vote at the AGM as a shareholder of Icon Energy (**Shareholder**).

If more than one joint holder of shares is present at the AGM (whether personally, by proxy, by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

### 2. Voting by Proxy

If you are a Shareholder entitled to attend and vote you may appoint an individual or a body corporate as a proxy. A proxy need not be a Shareholder of Icon Energy.

Shareholders should be aware of the voting restrictions and exclusions specified above when appointing a person as a proxy.

A proxy appointment form must be signed by the Shareholder or his/her attorney or, in the case of a body corporate, executed in accordance with section 127 of the Corporations Act or signed by an authorised officer or attorney. If the proxy form is signed by an attorney or by the authorised officer of a body corporate, the Power of Attorney or other authority (or a certified copy) must accompany the form unless it has previously been provided to the Company. If the proxy form is sent by facsimile, then any accompanying Power of Attorney or other authority must be certified.

A Shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the Shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the Shareholder's votes.

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy form. If in respect of any of the items of business you do not direct your proxy how to vote, you are directing your proxy to vote as he or she decides.

If you mark the Abstain box for a particular item you are directing your proxy to not vote on your behalf and your shares will not be counted in computing the required majority on a poll.

For proxies without voting instructions that are exercisable by the Chairman, the Chairman intends to vote undirected proxies in favour of each resolution. If you wish to appoint the Chairman as your proxy with a direction to vote against, or to abstain from voting on an item of business, you should specify this by completing the appropriate 'Against' or 'Abstain' box on the proxy appointment form.

The Chairman is deemed to be appointed where a signed proxy form is returned which does not contain the name of the proxy or where the person appointed on the form is absent.

### 3. Proxy Delivery

To be effective, the proxy appointment must be received at the share registry of Icon Energy, in the manner stipulated, no later than 11:00am (Queensland time) on 23 November 2015, being 48 hours before the AGM. Proxies must be received by that time by one of the following methods:

Post: Icon Energy's Share Registry  
Computershare Investor Services Pty Limited  
as shown on the enclosed pre addressed envelope

Facsimile: (within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

Delivery: Computershare Investor Services Pty Limited  
117 Victoria Street, West End,  
Brisbane, Queensland 4101

Online: At [www.investorvote.com.au](http://www.investorvote.com.au) using the secure access information shown on your proxy form.

To be valid, a proxy appointment must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any purported proxy appointment not received in this manner.

### 4. Voting by Attorney

Where a Shareholder appoints an attorney to act on his/her behalf at the AGM, such appointment must be made by a duly exercised Power of Attorney.

A proxy form and the original Power of Attorney (if any) under which the proxy form is signed (or a certified copy of that Power of Attorney or other authority) must be received by Icon Energy, in the manner stipulated in Note 3 above, by no later than 11:00am (Queensland time) on 23 November 2015 being 48 hours before the AGM.

### 5. Corporate Representatives

A body corporate which is a Shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as a body corporate's representative.

### 6. Polls

On a poll, every Shareholder has one vote for every fully paid ordinary share held.

These Explanatory Notes have been prepared for the information of Icon Energy's Shareholders in relation to the business to be conducted at Icon Energy's 2015 AGM.

The purpose of the Explanatory Notes is to provide Shareholders with information that is reasonably required to decide how to vote upon the resolutions. The Directors of Icon Energy (**Directors**) recommend that Shareholders read the Explanatory Notes before determining whether or not to support the resolutions.

Consideration of Financial Statements and Report is not a resolution and will not be voted on. Resolution 1 is an advisory resolution and is non-binding. Resolutions 2, 3, 4, 5, 6 and 7 are ordinary resolutions, requiring a simple majority of votes cast by Shareholders entitled to vote on each resolution.

## Consideration of Reports

The Financial Statements, Directors' Report and Independent Audit Report of Icon Energy for the Financial Year will be put before the meeting.

Following the consideration of the Reports, Shareholders will be provided with the opportunity to ask questions about or comment on the Reports.

The Company has invited Shareholders to submit written questions for discussion at the AGM. A summarised list of written questions, if any, submitted by Shareholders to the Company and the Auditor will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

## Resolution 1: Remuneration Report

Section 250R of the Corporations Act requires the Shareholders to vote on a non-binding advisory resolution that the Remuneration Report (**Remuneration Report Resolution**) be adopted.

If there is a vote of 25% or more against the Remuneration Report at the 2015 AGM, and another vote of 25% or more at the 2016 AGM, then a resolution will be put at the 2016 AGM to put the Board (other than the Managing Director) up for re-election (Spill Resolution). If the Spill Resolution passes, then the Company must hold a Spill Meeting within 90 days at which all Directors (other than the Managing Director) who were Directors at the time the Remuneration Report that received the second strike will retire and may resubmit themselves for re-election.

The Remuneration Report details the Remuneration Policy for the Company and reports the remuneration arrangements for KMP's and other Icon Energy employees. The Remuneration Report is set out on pages 38 to 45 in the Company's 2015 Annual Report. The Report can also be viewed in the "Investor Centre" section

of the Company's website ([www.iconenergy.com](http://www.iconenergy.com)).

The Short-Term Incentive (**STI**) and Long-Term Incentive (**LTI**) Plans implemented during 2013/2014 were restructured to improve the linkage between KMP remuneration and Company performance and incorporate rigorous performance hurdles that are consistent with market practice and that will drive Company performance. Further details on the Company's STI and LTI plans is included in the Explanatory Notes to Resolutions 4 to 7.

As previously advised, the Board, in its absolute and unfettered discretion has decided not to make any awards under either a short-term incentive or long-term incentive structure in respect of the 2014/2015 financial year.

The Board believes that the Company's remuneration arrangements, as set out in the 2015 Remuneration Report, are fair, reasonable and appropriate and support the strategic direction of the Company.

The voting exclusion statement for this resolution is set out on page 3 of this Notice of Meeting.

## Board Recommendation

The Directors recommend Shareholders vote in favour of this advisory resolution.

## Resolutions 2 and 3: Re-election of Mr Stephen Barry and Dr Kevin Jih

Article 70(1)(b) of the Company's Constitution requires that one third of the Directors retire from office and are eligible for re-election. Article 70(3) further states that any Director retiring is eligible for re-election without needing to give any prior notice of an intention to resubmit for re-election and holds office until the end of the meeting at which he retires.

Similarly, ASX Listing Rule 14.4 requires that a Director (except the Managing Director) must not hold office (without re-election) past the third Annual General Meeting following the Director's appointment, or three years, whichever is longer.

To this end, ASX Listing Rule 14.5 requires that an entity with Directors hold an election of Directors each year.

In accordance with the Listing Rules and the Company's Constitution, Mr S Barry and Dr K Jih retire and, being eligible, offer themselves for re-election as Directors.

### Mr Stephen Barry

Mr Stephen Barry has been a Director of Icon Energy Limited since 1993 and was appointed as the Chairman of the Board on 18 December 2008. He is also a member of the Board's Audit and Risk Management Committee. He is a member and Chairman of the Board's Remuneration Nominations and Succession Committee.

## EXPLANATORY NOTES

Stephen has been a key player in the development of the strategic direction of the Company. As a practicing Solicitor he has extensive experience in joint venture and farmin agreements, together with a wealth of knowledge on commercial law and corporate litigation. He is a Fellow of the Australian Institute of Company Directors.

### Dr Kevin Jih

Dr Kevin Jih joined Icon Energy as Deputy Chief Financial Officer in November 2008 and was promoted to Chief Financial Officer in July 2010. Dr Jih was appointed an Executive Director in December 2011 and appointed Company Secretary in May 2015, following an internal restructure of the Company.

He graduated with a Master of Business Administration in 1994 and a Master of Accounting both from Bond University. In 2008 he was awarded a Doctor of Philosophy in Accounting from Bond University. He is a Certified Practising Accountant and has wide experience in the private and public sectors, specialising in management accounting, financial accounting, human resource management and corporate governance. He is a Fellow of the Australian Institute of Management and the Australian Institute of Company Directors, as well as a member of the CPA Australia.

### Board Recommendation

The Directors, with Mr S Barry and Dr K Jih abstaining, recommend Shareholders vote in favour of their Re-election.

**Resolutions 4 and 5:  
Approval of the Participation of Mr R James,  
Managing Director and Dr K Jih, Chief Financial  
Officer, Executive Director and Company Secretary  
in the Icon Energy 2016 Short Term Incentive Offer**

Resolutions 4 and 5 seek Shareholder approval to issue Short Term Incentives to Mr R James and Dr K Jih under the Company's Performance Rights Plan.

The Icon Energy STI is an annual incentive scheme designed to reward selected Icon Energy group employees for achieving annual performance conditions.

The Icon Energy 2016 STI offer is to be made under the Icon Energy Performance Rights Plan most recently approved by Shareholders in 2014 (**STI Offer**) and is structured to reward eligible employees (**Eligible Employees**) through a combination of both cash and performance rights.

Under the STI Offer, if performance conditions are met over the 12 months commencing on 1 July 2015 to 30 June 2016 performance period:

- 30% of the vested award will be delivered by way of a cash reward; and
- the other 70% will be delivered by way of a grant of

performance rights which vest, subject to achievement of performance conditions (**Performance Rights**).

Further details of the remuneration packages of Mr R James and Dr K Jih are set out in the Remuneration Report on pages 38 to 45 of the Annual Report.

Set out in Schedule A is an overview of the key terms of the Performance Rights Plan Rules that apply to both the STI Offer and LTI Offer.

### Overview of Icon Energy's STI Offer

Set out below is a brief overview of the key aspects of the Performance Rights to be issued to Mr R James and Dr K Jih under the STI Offer.

#### a. Performance Conditions

The performance conditions are set by the Board and reflect the financial and operational goals of Icon Energy and individual performance objectives over a 12 month period. The Short Term Incentive Corporate Key Performance Indicator for the 2015/2016 year is an absolute share price hurdle, namely that the average daily **Icon Energy share price must achieve and maintain a level of at least 23.5 cents per share for at least 20 consecutive days** over the year commencing 1 July 2015.

#### b. Are there any restrictions on the trading of the shares once vested?

Any shares issued upon vesting of the Performance Rights will be subject to any restrictions on dealing set out in Icon Energy's Share Trading Policy.

#### c. Cessation of employment

Unless otherwise determined by the Board, any Performance Rights granted under the STI offer will generally lapse where Mr R James or Dr K Jih cease their respective employment with the Icon Energy group before their respective Performance Rights have vested.

#### d. Fraud or Dishonesty

Where, in the opinion of the Board, a participant acts fraudulently or dishonestly or is in breach of his or her obligations to the Icon group, then the Board may:

- deem all or any awards of the participant which have not vested to have lapsed or been forfeited (as relevant); and/or
- deem all or any awards or shares (allocated in respect of an award) held by the participant to have lapsed or be forfeited; and/or
- require the participant to repay all or part of any payment made upon the vesting of a cash reward; and/or
- where shares that have been allocated to the participant upon vesting or exercise of an award are subsequently sold, require the participant to repay the net proceeds of such a sale to Icon Energy.



## e. Change of Control event

The Board has discretion in the event of a Change of Control Event (such as a takeover, scheme of arrangement or winding up) to vest some or all of the Performance Rights so that they are converted into Shares.

### Board Recommendation

The Non-Executive Directors with Executive Directors Mr R James and Dr K Jih abstaining, recommend that Shareholders vote in favour of Resolutions 4 and 5.

### ASX Regulatory Requirements Listing Rule 10.14

Under ASX Listing Rule 10.14, a Director of Icon Energy may only acquire securities under an Employee Share Plan where such participation is approved by ordinary resolution of the Company in a General Meeting. Therefore, the grant of Performance Rights (and the issue of Shares upon vesting and conversion) to each of the Executive Directors, Mr R James and Dr K Jih, under the STI Offer is subject to receiving Shareholder approval at this meeting.

Approval is sought from Shareholders for the grant of Performance Rights to the Executive Directors (Resolutions 4 and 5) under the STI Offer on substantially the same terms as offers will be made to other senior executives of Icon Energy.

A brief overview of the details of the proposed grant of Performance Rights is set out below.

### ASX Listing Rule 10.15

For the purposes of ASX Listing Rule 10.15 and for all other purposes, the following information is provided with regard to Resolutions 4 and 5:

#### 1. Maximum entitlement under STI Offer

Mr R James is the Managing Director of the Company and Dr K Jih is an Executive Director of the Company and each will be granted Performance Rights in accordance with the following formula:

**Maximum Rights Entitlement = (Fixed Remuneration x Max STI% x 70%) / Rights Allocation Price**

where:

**Max STI% =**

- 50% for Mr R James; and
- 40% for Dr K Jih

**70%** = only 70% of the vested STI award will be delivered by way of a grant of performance rights.

**Rights Allocation Price** = the value of the rights (determined by the Volume Weighted Average Price (**VWAP**) of Icon Energy Shares for the one month commencing from 1 July 2015).

Set out below is the calculation of Mr R James STI entitlement, based on his fixed remuneration of \$614,294 per annum and the one month VWAP commencing 1 July 2015 of \$ 0.048

Fixed Remuneration	\$614,294
	x
Maximum STI	50%
	x
	70%
<hr/>	
Rights Allocation Price	\$0.048

Maximum Performance Rights Entitlement = Mr R James: 4,479,233.

Maximum Performance Rights Entitlement = Dr K Jih: 2,634,049.

The Fixed Remuneration amount above is Mr R James' fixed remuneration (including superannuation) as at 1 July 2015. In the case of Dr K Jih the Fixed Remuneration amount of \$451,551 will be used being Dr K Jih's fixed remuneration (including superannuation) as at 1 July 2015.

Each Performance Right entitles the holder, upon vesting and conversion to ordinary shares in the Company on a one-for-one basis ranking pari passu with all other existing securities.

#### 2. Vesting dates

Following the conclusion of the Performance Period (30 June 2016) the Board will make an assessment as to the extent to which the STI performance conditions have been met and the number of Performance Rights that will vest.

Where the Performance Rights vest, they may be exercised at any time up to the 'STI Last Exercise Date', which in respect of the STI Offer, is 30 June 2019.

Any unexercised Performance Rights will lapse following the STI Last Exercise Date, subject to any earlier lapse occurring pursuant to the rules of the Plan.

#### 3. Price payable on grant or vesting

No consideration will be payable by participants in respect of the grant or upon vesting of the Performance Rights.

#### 4. Previous Issues

The STI Offer will be made under the STI component of Icon Energy's Performance Rights Plan approved by Shareholders in 2014.

Since Shareholder approval was last obtained under ASX Listing Rule 10.14 at the 2014 AGM, Mr R James and Dr K Jih were issued 1,260,217 and 728,823 Performance Rights respectively in the 2013/2014 STI Performance Rights Plan. Of these 976,668 of Mr James' Performance Rights and 564,838 of Dr Jih's rights vested following partial satisfaction of performance conditions.

## EXPLANATORY NOTES

Due to the Company's current circumstances, the Board, in its absolute and unfettered discretion has decided not to make any awards under the Short Term Incentive structure in respect of the 2014/2015 financial year.

### **5. Eligibility to participate**

Eligible Employees of the Company may participate in the Performance Rights Plan and this includes the Company's Executive Directors. Non-Executive Directors are not eligible to acquire Performance Rights under the Icon Energy's Performance Rights Plan.

### **6. Voting Exclusion Statement**

The Voting Exclusion Statement for this resolution is set out on page 3 of this Notice of Meeting.

### **7. Loan Arrangements**

There is no loan attaching to the issue of Performance Rights to the Executive Directors.

### **8. Date of Grant of Performance Rights**

Subject to shareholder approval, the Performance Rights offered under the STI Offer will be granted to the Executive Directors no later than 12 months after the date of the 2015 AGM.

### **9. Future Issues**

Details of any Performance Rights issued will be published in Icon Energy's future annual Remuneration Reports which relates to the period in which the Performance Rights have been issued, including that approval for this issue of securities was obtained under ASX Listing Rule 10.14.

Any Director (or Associate of any Director) who becomes entitled to participate in the Performance Rights Plan and who is not named in this Notice of Meeting will not participate in the Performance Rights Plan until approval is obtained under Listing Rule 10.14.

If approval is given for the issue of securities under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.

**Resolutions 6 and 7:  
Approval of the Participation of Mr R James and  
Dr K Jih, in the Icon Energy 2016 Long Term  
Incentive Offer (LTI)**

Approval is sought from Shareholders for participation by Mr R James and Dr K Jih in the 2016 Long Term Incentive Offer (**LTI Offer**) on substantially the same terms as offers will be made to other senior executives of Icon Energy.

The Board views Icon Energy's LTI Offer and its performance based conditions for vesting of the rights issued under the LTI Offer as an appropriate link

between a portion of an executive's remuneration and the generation of long term growth in shareholder value.

The LTI Offer will comprise a grant of Performance Rights (**LTI Performance Rights**).

### **Overview of Icon Energy's 2016 LTI Offer**

A brief overview of the details of the proposed grant LTI Performance Rights is set out below. Further details of the remuneration packages of Mr R James and Dr K Jih are set out in the Remuneration Report on pages 38 to 45 of the Annual Report.

#### **a. Performance period**

The performance period is three years commencing on 1 July 2016 and ending on 30 June 2019 (**Performance Period**).

#### **b. Performance conditions**

In order for Performance Rights under the LTI to vest the Long Term Incentive Key Performance Indicator must be satisfied. The Long Term Incentive Key Performance Indicator for the 2016 year is an absolute share price hurdle, namely that the average daily **Icon Energy share price must achieve and maintain a level of at least 45 cents per share for at least 30 consecutive days** over the 3 years commencing 1 July 2015, in which event all LTI rights for the 2016 year will vest.

#### **c. Restrictions on the trading of the shares once exercised**

Any shares issued on the exercise of the Performance Rights will be subject to any restrictions on dealing set out in Icon's Share Trading Policy.

#### **d. Cessation of employment**

If Mr R James or Dr K Jih cease employment by reason of death, disability, bona fide redundancy or other reason approved by the Board they will be entitled to any LTI Performance Rights that have vested prior to the date of cessation.

The Board has discretion in relation to any LTI Performance Rights that have not vested prior to cessation, including to determine that any unvested rights will be vested as would occur at the end of the performance period and vest on a pro-rata basis to the extent that the performance condition has been satisfied (ie having regard to the part of the performance period which has elapsed and to the degree to which the performance conditions have been achieved).

Any unvested LTI Performance Rights will immediately lapse where a participant ceases employment by reason of resignation, dismissal for cause or for any other reason not approved by the Board.

Any vested LTI Performance Rights will lapse unless they are exercised within 30 days from the date of cessation of employment (however if this occurs during a blackout



period under Icon Energy's Share Trading Policy, shares allocated on exercise will be subject to a restriction on trading until the end of that period).

## Board Recommendation

The Non-Executive Directors recommend that Shareholders vote in favour of Resolutions 6 and 7.

## ASX Regulatory Requirements Listing Rule 10.14

As previously noted, under ASX Listing Rule 10.14, a Director of Icon Energy may only acquire securities under an Employee Share Plan where such participation is approved by ordinary resolution of Icon Energy in a General Meeting. Therefore, participation by the Executive Directors in the LTI Offer is subject to receiving Shareholder approval at this meeting.

## ASX Listing Rule 10.15

For the purposes of ASX Listing Rule 10.15 and for all other purposes, the following information is provided with regard to Resolutions 6 and 7:

### 1. Maximum entitlement under LTI Offer

Subject to shareholder approval, the maximum number of LTI Performance Rights that may be granted to Mr R James and Dr K Jih under the LTI Offer is calculated in accordance with the following formula:

**Maximum Rights Entitlement = Fixed Remuneration x Max LTI% / Rights Allocation Price**

where:

**Max LTI% =**

- 50% for Mr Ray James;
- 40% for Dr Kevin Jih.

**Rights Allocation Price** = the value of the Rights (determined by the VWAP for Icon Energy shares for the one month commencing 1 July 2015).

Set out below is the calculation of Mr R James' LTI entitlement, based on his fixed remuneration of \$614,294 per annum and a one month VWAP commencing on 1 July 2015 of \$0.048

Fixed Remuneration	\$614,294
Maximum LTI	50%
Rights Allocation Price	\$0.048

The Fixed Remuneration amount above is Mr R James' fixed remuneration (including superannuation) as at 1 July 2015. In the case of Dr K Jih the Fixed Remuneration amount of \$451,551 will be used being Dr K Jih's fixed remuneration (including superannuation) as at 1 July 2015.

Maximum Performance Rights Entitlement = Mr R James: 6,398,905 shares.

Maximum Performance Rights Entitlement = Dr K Jih: 3,762,928 shares.

Each LTI Performance Right entitles the holder, upon vesting and exercise, to one fully paid ordinary share in Icon Energy ranking pari passu with all other existing ordinary shares.

### 2. Vesting and Exercise Period

Following the conclusion of the Performance Period (30 June 2019) the Board will make an assessment as to the extent to which the performance conditions have been met and the number of Performance Rights that will vest.

Where the Performance Rights vest, they may be exercised at any time up to the 'Last Exercise Date', which in respect of the LTI offer, is 30 June 2019.

Any unexercised Performance Rights will lapse following the Last Exercise Date, subject to any earlier lapse occurring pursuant to the rules of the Plan.

### 3. Price payable on grant or exercise

The LTI Performance Rights will be granted for nil consideration and no amount will be payable in respect of the grant or upon exercise of the Performance Rights.

### 4. Previous Issues

The LTI Offer will be made under the LTI component of Icon Energy's Performance Rights Plan approved by Shareholders in 2014.

Following Shareholder approval at the 2013 AGM, Mr R James and Dr K Jih were issued 1,800,310 and 1,041,175 LTI Performance Rights respectively in the 2013/2014 LTI Performance Rights Plan. These Performance Rights will only vest if performance conditions are met.

Due to the Company's current circumstances, the Board, in its absolute and unfettered discretion has decided not to make any awards under the long-term incentive structure in respect of the 2014/2015 financial year.

### 5. Eligibility to participate

Eligible employees of the Company may participate in the Performance Rights Plan and this includes the Company's Executive Directors. Non-Executive Directors are not eligible to acquire Performance Rights under the Icon Energy's Performance Rights Plan.

### 6. Voting Exclusion Statement

The Voting Exclusion Statement for this resolution is set out on page 3 of this Notice of Meeting.

### 7. Loan Arrangements

There is no loan attaching to the issue of LTI Performance Rights to Mr R James or Dr K Jih.

## EXPLANATORY NOTES

### **8. Date of grant of LTI Performance Rights**

If Shareholder approval is obtained, it is expected that the LTI Performance Rights under the LTI Offer will be granted to Mr R James and Dr K Jih in December 2015, and in any event, no later than twelve months after the date of this AGM.

### **9. Future Issues**

Details of any Performance Rights issued will be published in Icon Energy's future annual Remuneration Reports which relate to the period in which the LTI Performance Rights have been issued, including that approval for this issue of securities was obtained under ASX Listing Rule 10.14.

Any Director (or Associate) who becomes entitled to participate in the Performance Rights Plan and who is not named in this Notice of Meeting will not participate in the Performance Rights Plan until approval is obtained under Listing Rule 10.14.

If approval is given for the issue of securities under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.

### **Legislative Requirements in relation to Resolutions 4, 5, 6 and 7 under Corporations Act**

The Company wishes to advise Shareholders that for the purposes of section 211(1) of the *Corporations Act 2001* (Cth), the Board of Directors (with Mr R James and Dr K Jih abstaining) has resolved that the issue of the STI Performance Rights and LTI Performance Rights under the STI Offer and LTI Offer is reasonable remuneration for Mr R James and Dr K Jih based on:

- the responsibilities of management; and
- an internal review of Icon Energy's remuneration arrangements, having regard to both the quantum of STI and LTI payable and the delivery of STI via a mix of cash and equity and the performance and vesting conditions attaching to the securities.

### **Enquiries**

Investors who wish to enquire about any matter relating to their Icon Energy shares are invited to contact the share registry:

### **Computershare Investor Services Pty Limited**

GPO Box 2975  
Melbourne VIC 3001  
Email: [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)  
Website: [www.computershare.com.au](http://www.computershare.com.au)

All other enquiries relating to Icon Energy shares can be directed to:

### **Investor Relations**

Icon Energy Limited  
4 Miami Key,  
Broadbeach Waters,  
Queensland 4218 Australia  
Telephone: +61 7 5554 7111  
Facsimile: +61 7 5554 7100  
Email: [investor.relations@iconenergy.com](mailto:investor.relations@iconenergy.com)

### **Website**

The 2015 Annual Report can be accessed on the Company's website at [www.iconenergy.com](http://www.iconenergy.com)

## SCHEDULE A – SUMMARY OF PERFORMANCE RIGHTS PLAN RULES

### Plan Overview

The Performance Rights Plan (**the Plan**) is to extend to Eligible Employees of the Company as the Board may in its discretion determine.

The Plan provides employees with short, medium and long term incentives aimed at creating a stronger link between the Company's key personnel's performance and reward, whilst increasing Shareholder value in the Company.

### Eligible Employees

Any person (including Executive Directors) employed on either a full-time or part-time permanent basis by the Group or an Executive Director of the Group or any other person whom the Board determines to be eligible to participate in the Plan.

### Plan limit

The maximum number of Performance Rights that may be issued under the Plan (or any other plan or similar arrangement) will not, when aggregated with the number of Shares on issue, exceed 5% of the issued capital of the Company from time to time.

For the purposes of calculating this 5% limit, ASIC includes:

- all Shares issued (or which might be issued pursuant to the exercise of a Performance Right) in connection with the Plan from time to time;
- the number of Shares in the same class that would be issued if all of the Performance Rights under the Plan were accepted; and
- the number of Shares in the same class issued during the previous five years pursuant to a Performance Rights Plan,

but specifically excludes:

- any offers which are received outside of Australia;
- offers made under a disclosure document;
- offers that do not require disclosure under section 708 of the Corporations Act; and
- options over Shares where the relevant option has lapsed.

### Acceptance of Invitation to Participate in the Plan

An invitation to participate in the Icon Energy Performance Rights Plan may be accepted by an Eligible Employee to whom the invitation is made, by delivering to the Company, written acceptance in the form determined by the Board and stated in the letter of invitation.

### Performance Condition

The Board will determine in its absolute discretion whether any performance hurdles or other conditions (including as to time) will be required to be met (**Performance Conditions**) before the Performance Rights which have been granted under the Plan can vest.

Performance Rights will vest upon the satisfaction of the Performance Conditions.

### Exercise Period

The terms for exercise, including the exercise period, are stated in the Invitation, however the exercise period must not exceed ten years and any Performance Rights must not be exercised during a closed period as prescribed in the Company's Securities Trading Policy.

### Lapse

A Performance Right lapses, to the extent that it has not been exercised, on the earlier to occur of:

- the stated expiry date;
- the date on which the Board makes a determination that the Performance Conditions have not been satisfied;
- the date on which the Board makes a determination that a Participant acts fraudulently or dishonestly or is in material breach of his or her obligations to the Company or Related Body Corporate, or in the event of a Change in Control Event (being a scheme of arrangement, takeover bid, or ability to replace all or a majority of the Directors) (subject to the below), the last day specified in writing in a notice given by the Board to each Participant, that he or she may exercise Vested Performance Rights;
- if a Participant ceases to be employed by the Company or Related Body Corporate unless the Board exercises its discretion to enable the participant to continue holding the Performance Rights.

### Rights and restrictions of Performance Rights

- Performance Rights issued pursuant to the Plan do not include an entitlement to participate in dividends, new issue of shares, or any pro rata issue of shares to Shareholders unless determined otherwise by the Board, and do not provide rights to vote at meetings of the Company until the Performance Rights are exercised;
- Shares acquired upon exercise of the Performance Rights will, upon allotment rank *pari passu* in all respects with other Shares;
- If there are certain variations of the share capital of the Company, including a capitalisation or rights issue, sub division, consolidation or reduction in share capital, a

## EXPLANATORY NOTES

demerger (in whatever form) or other distribution in specie, the Board may make such adjustments as it considers appropriate in accordance with the Listing Rules;

- Performance Rights will not be quoted on the ASX. The Company will apply for quotation on the ASX of the Shares issued on exercise of the Performance Rights within ten business days after the date of allotment of those Shares;
- The Participant must comply with the Company's Securities Trading Policy and the Constitution in respect of any Shares that may be issued under the Plan;
- Subject to law and the Company's Securities Trading Policy, there will be no restrictions on the sale, transfer or disposal of Shares once issued.

### Assignability

Except on the death of a Participant, Performance Rights may not be transferred, assigned or novated except with the approval of the Board.

### Administration

The Plan is administered by the Board, which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to the Listing Rules, including any waiver granted by ASX) in addition to those set out in the Plan.

### Change of Control

If, in the opinion of the Company a Change in Control Event has occurred or is likely to occur, the Board may give written notice to Participants of the Control Event and convert all or any of the Participant's Performance Rights to Shares, whether or not the Vesting Conditions have been met.

**Control Event** means any of the following:

- (a) an offer is made by a person for the whole of the issued ordinary share capital of Icon Energy (or any part as is not at the time owned by the offeror or any person acting in concert with the offeror) and after announcement of the offer the offeror (being a person who did not control Icon Energy prior to the offer) acquires control of Icon Energy; or
- (b) any other event which the Board reasonably considers should be regarded as a Control Event.

### Amendments

Subject to the Listing Rules and the Corporations Act, the Board may amend the Plan at any time, but may not do so in a way which materially reduces the Participants' existing rights without their consent, unless the amendment is to comply with the law, to correct an error or similar.

### Termination and suspension

The Plan may be terminated or suspended at any time by resolution of the Directors without notice to the Participants. The suspension or termination will not affect any existing grants of Performance Rights already made under the Plan and the terms of the Plan will continue to apply to such Performance Rights.



[www.iconenergy.com](http://www.iconenergy.com)

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