



13 November 2019

BOARD AND MANAGEMENT CHANGES

Canberra, Australia – The Citadel Group Limited (ASX: CGL) (**Citadel**) Board advises of the following changes to the Board and Management of the Company effective 12 November 2019.

Board

Having led the Board for the last 5 years, Chairman Mr Kevin McCann AM has elected to step down from his position as Chair and director of the Company.

Mr McCann commented “As Citadel enters the next period of implementation of the Citadel 2.0 strategy and having served as Chairman of Citadel since 2014, I have formed a view that now is the right time for me to hand over the Chairman’s role to another experienced independent director”.

Lieutenant General Peter Leahy AC, a current Non-Executive Director since 2014, has been appointed as the new Chairman.

Lieutenant General Peter Leahy said “The Board and I would like to thank Kevin for his significant contribution to Citadel, and I would like to thank him for the strong leadership and guidance he has shown to the Board and Management”.

Management

In contemplation of the next phase of Citadel’s journey, the Board has separately accepted Chief Executive Officer (CEO) Mr Darren Stanley’s resignation, and has appointed Mr Mark McConnell, who was a co-founder of Citadel and currently a Non-Executive Director, to the role of Chief Executive Officer and Managing Director.

During his time as CEO, Mr Stanley has transformed Citadel into a successful software and services company, recognised as a leader in secure, scalable enterprise information management solutions and has been instrumental in driving the Citadel 2.0 strategy.

Mr Stanley said “It has been an honour to lead Citadel over the last 3 years as CEO, and prior to that as Deputy CEO, and I am incredibly proud that we have built an Australian company that is keeping people and information safe.

“I would like to thank Kevin and the Board for their support over my tenure, and to my very capable and dedicated leadership team that have supported me over my journey. Citadel is well placed to continue on the next phase of its transformation, and I wish the Board and the staff every success for the future.”

Speaking on behalf of the Board, Lieutenant General Peter Leahy said “We would like to thank Darren for his passion and commitment in leading this Company on its journey to becoming a global software and services Company, and we wish him all the best for the future.

“We remain committed to the Citadel 2.0 strategy. We will continue to refresh the Board with the appointment of additional directors with global technology and SaaS experience to support the Citadel



2.0 strategy and the Company's international expansion. The search is well advanced and we hope to update shareholders in the near future".

In accordance with the ASX Listing Rules, a summary of the material terms of Mr McConnell's employment contract as Chief Executive Officer and Managing Director is attached

- ENDS -

Spencer Chipperfield

Company Secretary

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About The Citadel Group

Citadel specialises in managing information in complex environments through integrating know-how, systems and people to provide information on an anywhere-anytime basis. We are a leader in the development and delivery of managed technology solutions. The majority of our revenues are derived from long term managed services, and software-as-a-service solutions.



SUMMARY OF MATERIAL TERMS

MARK MCCONNELL

In accordance with the ASX Listing Rules, The Citadel Group Limited advises the material terms and conditions of Mr McConnell's employment contract with its group employing entity as Chief Executive Officer and Managing Director are as detailed below:

Position	Chief Executive Officer and Managing Director
Commencement Date	13 November 2019
Term	Until terminated by either party in accordance with the terms of the contract.
Total Remuneration Package	\$350,000 per annum (inclusive of base salary, superannuation contributions and director's fees) – reviewed annually. Allowances for work related items and professional development are also provided.
Short Term Incentive	Eligible to participate in the company's short term incentive plan, with a target incentive amount of 60% and maximum award of 80% of the Total Remuneration Package, subject to satisfaction of STI conditions set by the company from time to time – reviewed annually.
Long Term Incentive	Eligible to participate in the company's long term incentive plan, with a target incentive amount of 45% and maximum award of 60% of the Total Remuneration Package, subject to satisfaction of LTI conditions set by the company from time to time – reviewed annually.
Termination without cause	Either party may terminate the contract on 6 months' notice (with provision for payment in lieu of notice or garden leave at the company's discretion).
Termination with cause	The company may terminate the contract without notice on various grounds, including if Mr McConnell engages in serious or gross misconduct, seriously breaches a term of his employment contract, commits an act of fraud or dishonesty, engages in conduct which brings the company or the group into disrepute, or fails to or refuses to comply with any lawful direction given to him by an authorised representative.
Restraint Period	Mr McConnell will be subject to a non-competition restraint during his employment and various post-termination restraints for a period of up to 12 months throughout Australia after his employment ceases.