



Market Announcements Office
Australian Securities Exchange

14 October 2020

ELECTRONIC LODGEMENT

Dear Sir or Madam

The Citadel Group Limited – 2020 Notice of Annual General Meeting

In accordance with the Listing Rules, I attach a copy of The Citadel Group Limited's 2020 Notice of Annual General Meeting.

Members should note the meeting is being held virtually this year, and they should refer for details to the Notice of Meeting, and the online guide available at <https://investors.citadelgroup.com.au>.

Yours faithfully

Spencer Chipperfield
Group Company Secretary
The Citadel Group Limited



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MANAGING COMPLEXITY

THE CITADEL GROUP LIMITED
ACN 127 151 026

NOTICE OF ANNUAL GENERAL MEETING
and
EXPLANATORY NOTES

DATE OF MEETING

Thursday, 19 November 2020

TIME OF MEETING

4.00pm (AEDT)

PLACE OF MEETING

Virtual Meeting using the online platform
provided by our share registry, Link Market Services Limited,
at <https://agmlive.link/CGL202>

This Notice of Annual General Meeting and Explanatory Notes should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser.



**Notice of Annual General Meeting
of The Citadel Group Limited
ACN 127 151 026**

Notice is hereby given that the Annual General Meeting of the Shareholders of The Citadel Group Limited (**Company**) will be held as a Virtual Meeting using the online platform provided by our share registry, Link Market Services Limited, at <https://agmlive.link/CGL202>.

ONLINE PLATFORM

Due to the current COVID-19 situation, shareholders (or their proxies) have the ability to attend the meeting and vote and ask questions in real-time using the online platform. The Company recommends logging in to the online platform at least 15 minutes prior to the scheduled start time for the AGM using the instructions below:

- Enter the Company voting link <https://agmlive.link/CGL202> into a web browser on a mobile or online device;
- Shareholders will need their Securityholder Reference Number or Holder Identification Number and postcode; and
- Proxyholders will need their proxy code which Link Market Services will provide via email no later than 24 hours prior to the AGM.

Online voting will be open between the commencement of the AGM at 4.00 pm (AEDT) on Thursday, 19 November 2020 and 5 minutes after the time at which the Chairman of the meeting announces the poll is closed.

More information about online participation in the AGM is available in the AGM Online Guide at <https://investors.citadelgroup.com.au>.

The Explanatory Notes and the Proxy Form are part of this notice.



BUSINESS OF THE MEETING

Item 1: Financial Statements and Reports

To receive and consider the Financial Report, the Directors' Report and Auditor's Report for the Company for the year ended 30 June 2020.

Item 2: Remuneration Report

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

"That for the purposes of section 250R(2) of the Corporations Act the Shareholders of the Company adopt the Remuneration Report for the financial year ended 30 June 2020."

Note: A voting exclusion statement applies to this resolution.

Item 3: Re-election of Peter Leahy AC Lt Gen (Retd) as a Director of the Company

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

"That Lt General Peter Leahy AC, being a Director, who is retiring by rotation in accordance with Rule 50.2 of the Company's Constitution and being eligible, offers himself for re-election, be re-elected as a Director of the Company."

Item 4: Re-election of Mr Robert (Bob) Alexander as a Director of the Company

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

"That Mr Robert Alexander, having been appointed as a Director by the Board pursuant to Rule 49.1 of the Company's Constitution, offers himself for re-election under Rule 49.2 of the Company Constitution and ASX Listing Rule 14.4."

Item 5: Re-election of Ms Jayne Shaw as a Director of the Company

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

"That Ms Jayne Shaw, having been appointed as a Director by the Board pursuant to Rule 49.1 of the Company's Constitution, offers herself for re-election under Rule 49.2 of the Company Constitution and ASX Listing Rule 14.4."

Item 6: Approval of issue of equity to the CEO, Mark McConnell

To consider and if thought fit, pass the following as separate ordinary resolutions:

(a) Approval of issue of share rights for FY20

"That approval be given, for the purposes of Listing Rule 10.14 and all other purposes, for the grant to the Chief Executive Officer and Managing Director, Mr Mark McConnell, of 61,551 Share Rights under the Company's FY20 Long Term Incentive Plan at \$3.4118 per Share."

(b) Approval of FY21 share rights

"That approval be given, for the purposes of Listing Rule 10.14 and all other purposes, for the grant to the Chief Executive Officer and Managing Director, Mr Mark McConnell, of 89,148 Share Rights under the Company's FY21 Long Term Incentive Plan at a price of \$4.3187 per Share."

Note: A voting exclusion statement applies to these resolutions.



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MANAGING COMPLEXITY

Item 7: Increase in Non-Executive Director Fee pool

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

“That for the purposes of Listing Rule 10.17, Rule 55.1 of the Company’s Constitution and for all other purposes, effective from the close of the Meeting, the total amount that may be paid in aggregate in any one year by the Company to the Non-Executive Directors as remuneration for services be increased by \$200,000 from \$500,000 to \$700,000.”

Note: A voting exclusion statement applies to this resolution.



VOTING EXCLUSIONS

Item 2 - Remuneration Report

In accordance with sections 250R(4) and 250BD of the Corporations Act, no member of the Key Management Personnel of the Company or a Closely Related Party of such a member may vote (in any capacity) on Item 2.

However, in accordance with the Corporations Act, a person described above may vote on Item 2 if:

- a) it is cast by such person as proxy for a person who is permitted to vote, in accordance with the direction specified on the proxy form how to vote; or;
- b) it is cast by the Chairman as proxy for a person who is permitted to vote, in accordance with the appointment which expressly authorises the chair of the meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If the Chairman is appointed as a proxy for a person who is permitted to vote on this Item 2, the Chairman will vote any proxies which do not indicate on their proxy form the way the Chairman must vote, in favour of Item 2.

What this means for Shareholders: If you intend to appoint a member of the KMP (such as one of the Directors) as your proxy, please ensure that you direct them how to vote on the proposed resolution in Item 2. If you intend to appoint the Chairman of the Meeting as your proxy, you can direct him how to vote by marking the boxes for Item 2 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for Item 2 and give the Chairman your express authority to vote your undirected proxy (in which case the Chairman will vote in favour of this item of business).

Items 6(a) and 6(b) - Approval of issue of equity to the CEO, Mark McConnell

The Company will disregard any votes cast in favour of Items 6(a) and (b) by or on behalf of a Director or an associate of a Director.

However this does not apply to a vote cast in favour of the resolution by:

- a) a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way;
- b) it is cast by the Chairman as proxy for a person who is permitted to vote, in accordance with the appointment which expressly authorises the chair of the meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, a vote must not be cast on Items 6(a) or 6(b) by any person who is a KMP at the time this Item is voted on at the Meeting, or by any of their Closely Related Parties, acting as proxy for a



person entitled to vote, if their appointment does not specify the way the proxy is to vote on Items 6(a) or 6(b). This restriction on voting undirected proxies does not apply to the Chairman acting as proxy for a person entitled to vote on Items 6(a) or 6(b) because the Company's proxy appointment expressly authorises the Chairman to exercise undirected proxies.

If the Chairman is appointed as a proxy for a person who is permitted to vote on these Items 6(a) or 6(b), the Chairman will vote any proxies which do not indicate on their proxy form the way the Chairman must vote, in favour of Items 6(a) and 6(b).

What this means for Shareholders: If you intend to appoint any person who is a KMP (or any of their Closely Related Parties) as your proxy, please ensure that you direct them how to vote on the proposed resolutions in Items 6(a) and 6(b). If you intend to appoint the Chairman of the Meeting as your proxy, you can direct him how to vote by marking the boxes for Items 6(a) and 6(b) (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for Items 6(a) and 6(b) and give the Chairman your express authority to vote your undirected proxy (in which case the Chairman will vote in favour of this item of business).

Item 7 - Increase in Non-Executive Director Fee pool

The Company will disregard any votes cast in favour of Item 7 by a Director or any their associates.

However this does not apply to a vote cast in favour of the resolution by:

- a) a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way;
- b) it is cast by the Chairman as proxy for a person who is permitted to vote, in accordance with the appointment which expressly authorises the chair of the meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, a vote must not be cast on Item 7 by any person who is a KMP at the time this Item is voted on at the Meeting, or by any of their Closely Related Parties, acting as proxy for a person entitled to vote, if their appointment does not specify the way the proxy is to vote on Item 7. This restriction on voting undirected proxies does not apply to the Chairman acting as proxy for a person entitled to vote on Item 7 because the Company's proxy appointment expressly authorises the Chairman to exercise undirected proxies.

If the Chairman is appointed as a proxy for a person who is permitted to vote on this Item 7, the Chairman will vote any proxies which do not indicate on their proxy form the way the Chairman must vote, in favour of Item 7.

What this means for Shareholders: If you intend to appoint a KMP (or any of their Closely Related Parties) as your proxy, please ensure that you direct them how to vote on the proposed resolution in Item 7. If you intend to appoint the Chairman of the Meeting as your proxy, you can direct him how to vote by marking the boxes for Item 7 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for Item 7 and give the



Chairman your express authority to vote your undirected proxy (in which case the Chairman will vote in favour of this item of business).

ENTITLEMENT TO VOTE

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company as at 7.00pm (AEDT) on Tuesday 17 November 2020 (**Entitlement Time**), subject to any applicable voting exclusion.

This means that if you are not the registered holder of a Share in the Company at the Entitlement Time, you will not be entitled to vote at the Meeting.

ANNUAL REPORTS

Copies of the Annual Report for The Citadel Group Limited may be accessed in the Investor section of our website <https://investors.citadelgroup.com.au>.

VOTING OPTIONS AND PROXIES

If you do not plan to attend the meeting in person, you are encouraged to complete and return the Proxy Form which accompanies this Notice of Meeting.

Voting by Proxy

A Shareholder who is entitled to attend and vote at this Meeting is entitled to appoint not more than two proxies to attend and vote in place of the Shareholder.

If the Shareholder appoints two proxies, the Shareholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the Shareholder's votes. If the specified proportion or number of votes exceed that which the Shareholder is entitled to, each proxy may exercise half of the Shareholder's votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

Where a Shareholder appoints two proxies, each proxy is entitled to vote on a poll.

A proxy need not be a Shareholder of the Company. A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. If a representative of the corporation is to attend the Meeting virtually, the appropriate "Certificate of Appointment of Corporate Representative" must be received at vote@linkmarketservices.com.au prior to admission to the meeting. A form of the certificate may be obtained from the Company's Share registry or online at www.linkmarketservices.com.au.

Subject to the specific proxy provisions applying to Items 2, 6 & 7 (see Voting Exclusions above):

- a) if a Shareholder has not directed their proxy how to vote, the proxy may vote as the proxy determines; and
- b) if a Shareholder appoints the Chairman of the Meeting as proxy and does not direct the Chairman how to vote on an item of business, the Chairman will vote in accordance with his voting intention as stated in this Notice of Meeting.

Proxy Voting by the Chairman

For Items 2, 6, & 7 where the Chairman is appointed as a Shareholder's proxy and that Shareholder has not specified the way in which the Chairman is to vote on those Items, the Shareholder is directing the Chairman to vote in accordance with the Chairman's voting intentions



for these items of business; even though Items 2, 6 & 7 are connected with the remuneration of Directors or KMP.

The Chairman intends to vote all undirected proxies in favour of the resolutions in the Notice of Meeting, including Items 2, 6, and 7.

Proxy Forms

To be effective, the Proxy Form must be completed and lodged (together with the relevant original power of attorney or a certified copy if the proxy is signed by an attorney) with the Company's security registry, as an original or by facsimile, no later than 4.00pm (AEDT) on Tuesday 17 November 2020 (**Proxy Deadline**).

Proxy forms may be submitted in one of the following ways:

- a) **by mail** to Link Market Services Pty Ltd using the reply-paid envelope or Locked Bag A14, Sydney South NSW 1235. Please allow sufficient time so that it reaches the Company's Share Registry by the Proxy Deadline;
- b) **by fax** to Link Market Services Pty Ltd on +61 2 9287 0309; or
- c) **online** via the Company's Share Registry website at www.linkmarketservices.com.au. Please refer to the Proxy Form for more information.

Proxy Forms and Powers of Attorney must be received by the Proxy Deadline - by 4.00pm (AEDT) on Tuesday 17 November 2020.

CORPORATE REPRESENTATIVES

Where a shareholding is registered in the name of a corporation, the corporate Shareholder may appoint a person to act as its representative to attend the meeting by providing that person with:

- a) a letter or certificate authorising him or her as the corporation's representative, executed in accordance with the corporation's constitution; or
- b) a copy of the resolution appointing the representative, certified by a secretary or director of the corporation.

BY ORDER OF THE BOARD

Spencer Chipperfield
Company Secretary



EXPLANATORY NOTES

These Explanatory Notes are intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting (**Notice**) of the Company.

ITEM 1 – Financial Statements and Reports

As required by section 317 of the Corporations Act, the Financial Report, Directors' Report and Auditor's Report of the Company for the most recent financial year will be presented to the Meeting.

The Financial Report comprises the consolidated financial report of the Company and its controlled entities.

There is no requirement for a formal resolution on this Item.

The Chairman of the Meeting will allow a reasonable opportunity at the Meeting for Shareholders to ask questions about or make comments on the management of the Company. Shareholders will also be given a reasonable opportunity at the Meeting to ask the Company's auditor, PricewaterhouseCoopers (**PWC**) questions about the Auditor's Report, the conduct of its audit of the Company's Financial Report for the year ended 30 June 2020, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of PWC in relation to the conduct of the audit.

Shareholders may submit questions to the Company in relation to the above matters as follows:

- online via the share registry investor website:
<https://www.linkmarketservices.com.au/corporate/home.html>;
- during the Meeting using the virtual meeting platform; or
- by returning the Question Form attached to this Notice and using the Business Reply Paid Envelope included by no later than 5.00pm (AEDT) on Thursday, 12 November 2020.

ITEM 2 - Remuneration Report

Pursuant to section 250R(2) of the Corporations Act, a resolution adopting the Remuneration Report contained within the Directors' Report must be put to a vote.

Shareholders are advised that pursuant to section 250R(3) of the Corporations Act, this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report, including a letter of introduction from the Chairman of the Nomination and Remuneration Committee, is set out within the Directors' Report in the Company's 2020 Annual Report, which is available in the Investor section of our website at www.citadelgroup.com.au. The Board is presenting the Remuneration Report (which forms part of the Directors' Report) to Shareholders for adoption, as required by the Corporations Act. The Remuneration Report sets out details of the Company's remuneration policies and practices, as well as the remuneration of the Directors and specified executives.

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at the 2020 Annual General Meeting, and then again at the 2021 Annual General Meeting, the Company will be required to put a resolution to the 2021 Annual General Meeting, to approve calling a general meeting (**spill resolution**). If 50% or more of eligible votes cast are in favour of the spill resolution, the Company must convene a general meeting (**spill meeting**) within 90 days of the



2021 Annual General Meeting. All of the Directors who were in office when the 2021 Directors' Report was approved, other than the Managing Director (if any), will need to stand for re-election at the spill meeting.

Note that a voting exclusion applies to the resolution in Item 2 in the terms set out in the Notice of Meeting.

Board recommendation and undirected proxies

The Board unanimously recommends that Shareholders vote in **FAVOUR** of this resolution.

Shareholders should note that the Chairman will vote all undirected proxies in favour of the resolution in Item 2. If you appoint the Chairman as your proxy, and you do not direct your proxy how to vote on this item on the proxy form, you will be expressly authorising the Chairman of the Meeting to exercise the proxy even though the resolution is connected, directly or indirectly, with the remuneration of the KMP which includes the Chairman.

Shareholders will also be provided with a reasonable opportunity to ask questions about or make comments on the Remuneration Report, which forms part of the 2020 Annual Report.

ITEM 3 – Re-election of Lt General Peter Leahy AC as a Director of the Company

Rule 50.2 of the Company's Constitution provides that at every Annual General Meeting of the Company one-third of the Directors or nearest to one-third if not a whole number (other than the Managing Director) shall retire from office provided that no Director (except a Managing Director) may retain office for more than three (3) years or until the third Annual General Meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election. The Directors to retire at an Annual General Meeting are those who have been longest in office since their last election. A retiring Director is eligible for re-election. A retiring Director shall act as a Director throughout the meeting at which he or she retires.

Although Lt General Leahy AC was last appointed by Shareholders in 2019, due to changes in the Board composition since that date, pursuant to rule 50.2 of the Constitution must again retire by rotation, and submit himself for re-election by Shareholders.

Board recommendation and undirected proxies

The Board (with Lt General Leahy AC abstaining) recommends that Shareholders vote in **FAVOUR** of this resolution. The Chairman of the meeting intends to vote undirected proxies in **FAVOUR** of this resolution.

Lt General Leahy AC who retires by rotation in accordance with the Company's Constitution and, being eligible for re-election, offers himself for re-election as a Director.

Lt General Leahy AC is an independent non-executive Director of the Company.

Lt General Leahy AC brings to the board deep knowledge of defence strategy, security and capability requirements having had oversight of significant budgets and personnel. He retired from the Army after a 37-year career as a soldier, in the rank of Lieutenant General, after a six-year appointment as the Chief of Army. In this appointment he was directly responsible for Army's \$6bn annual budget. His responsibilities included the detailed management of personnel, operating and capital cost centres and the direct responsibility to raise, train and sustain the Army. He was the principal adviser to the Chief of the Defence Force on strategic matters related to the deployment of the Army on global combat operations.



Since leaving the Army, Lt General Leahy AC has joined the University of Canberra as a Professor and Foundation Director of the National Security Institute where he teaches, writes and commentates on defence and security matters. He is a graduate of the Australian Institute of Company Directors and has been appointed to the Boards of Codan Limited and Electro Optic Systems Holdings Limited. He is a Technical advisor to WarpForge Limited and is a member of the Advisory Council of China Matters. He is also involved in a number of charities including as the Chairman of Soldier On, the Australian Student Veterans Association and the ACT Salvation Army Red Shield Appeal Committee. In 2014 he was appointed by the Minister for Defence as a member of the First Principles Review of the Department of Defence. Lt General Leahy AC has been a director of Citadel since June 2014.

Having had regard to the ASX Corporate Governance Principles and Recommendations (4th edition) (**ASX Principles**), the Board considers Lt General Leahy AC to be an independent Director.

ITEM 4 – Re-election of Mr Robert Alexander as a Director of the Company

ASX Listing Rule 14.4 requires any Director appointed to a casual vacancy or as an addition to a Board to offer themselves for re-election at the next annual general meeting.

Rule 49.2 of the Company's Constitution provides that a Director appointed to fill a casual vacancy or as an additional Director by the Board holds office only until the next general meeting and may offer themselves for re-election at that meeting.

Mr Alexander was appointed to the Board in December 2019, and as Chairman of the Audit, Risk and Compliance Committee in March 2020.

For the purposes of Listing Rule 14.1A, the following is disclosed:

- a) If this Item 4 is passed, Mr Alexander will remain appointed as a Director and will be subject to the usual Director rotation provisions in the Constitution and ASX Listing Rules.
- b) If this Item 4 is not passed, Mr Alexander will cease to be appointed as a Director, and unless re-appointed by the Board as a casual vacancy, will no longer be on the Board.

Board recommendation and undirected proxies

The Board (with Mr Alexander abstaining) recommends that Shareholders vote in **FAVOUR** of this resolution. The Chairman of the meeting intends to vote undirected proxies in **FAVOUR** of this resolution.

Mr Alexander, retires in accordance with the Company's Constitution and ASX Listing Rule 14.4 and, being eligible for re-election, offers himself for re-election as a Director.

Mr Alexander is an independent non-executive Director of the Company.

Mr Alexander is an experienced senior executive and director with over 30 years' experience working in the commercial sector, primarily in sectors undergoing significant digital and technology transformation. Bob has worked in global organisations in industries such as media, entertainment, professional services, intellectual property and the print industry.

He has considerable experience in corporate governance, mergers and acquisitions, and has successfully led numerous transactions and the integration of acquired businesses.

Mr Alexander is a leader in corporate social responsibility and is an Executive Board Member of the Cambodian Children's Fund (Hong Kong) and Cambodian Children's Fund Australia Inc, overseeing global strategy, organisational development, IT infrastructure and systems with global



responsibility for fundraising and operations. He sits on the advisory board of Tablo.io, a digital platform connecting authors and readers.

He was previously a Non-executive Director of QMS Media Ltd and a Non-executive Director and Chairman of the Audit and Risk Committee of Xenith IP Group Ltd.

Mr Alexander is a Chartered Accountant with a BCOMM (UNSW).

Having had regard to the ASX Principles, the Board considers Mr Alexander to be an independent Director.

ITEM 5 – Re-election of Ms Jayne Shaw as a Director of the Company

As set out in Item 4 above, ASX Listing Rule 14.4 requires any Director appointed to casual vacancy or as an addition to a Board to offer themselves for re-election at the next annual general meeting.

Rule 49.2 of the Company's Constitution provides that a Director appointed to fill a casual vacancy or as an additional Director by the Board holds office only until the next general meeting and may offer themselves for re-election at that meeting.

Ms Shaw was appointed to the Board in June 2020, and as Chairman of the Nomination and Remuneration Committee in July 2020.

For the purposes of Listing Rule 14.1A, the following is disclosed:

- a) If this Item 5 is passed, Ms Shaw will remain appointed as a Director and will be subject to the usual Director rotation provisions in the Constitution and ASX Listing Rules.
- b) If this Item 5 is not passed, Ms Shaw will cease to be appointed as a Director, and unless re-appointed by the Board as a casual vacancy, will no longer be on the Board.

Ms Shaw is an independent non-executive Director of the Company.

Board recommendation and undirected proxies

The Board (with Ms Shaw abstaining) recommends that Shareholders vote in **FAVOUR** of this resolution. The Chairman of the meeting intends to vote undirected proxies in **FAVOUR** of this resolution.

Ms Shaw retires in accordance with the Company's Constitution and ASX Listing Rule 14.4 and, being eligible for re-election, offers herself for re-election as a Director.

Ms Shaw brings to the Board not only her significant experience in healthcare management, but also an experienced clinical background in nursing. Ms Shaw has acted in senior management roles in two Australian private hospitals and established an Australian and international consulting business which was sold to Healthsouth, a large US Healthcare company. After this, Ms Shaw became the co-founder of Vision Group, a business that was successfully listed on the ASX.

Ms Shaw has been a member of a number of private healthcare boards involved with specialist consolidation including cardiology, cancer care, orthopaedics, and women's health and has continued to work with private equity firms on local and international healthcare transactions.

Ms Shaw also holds positions on the boards of Mable Technologies, the Woolcock Research Institute, and The Hareda Foundation, and as Chairman of BCAL Diagnostics.

Having had regard to the ASX Principles, the Board considers Ms Shaw to be an independent Director.



ITEM 6 - Approval of issue of equity to the CEO, Mark McConnell

ASX Listing Rule 14.1A disclosure

The Company seeks approval, in Items 6(a) and 6(b) below, to issue certain Share Rights under the Company's annual Long Term Incentive (LTI) plan to Director Mark McConnell for the financial years FY20 and FY21. The annual LTI plan forms part of the Company's Equity Plan, an employee incentive scheme established prior to the Company's listing in 2014.

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a) a director of the company;
- b) an associate of a director of the company; or
- c) a person whose relationship with the company or a person referred to (a) or (b) is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The proposed issue of Share Rights to Mr McConnell, as Managing Director of the Company, therefore requires the approval of the Company's shareholders under Listing Rule 10.14.

Items 6(a) and 6(b) seeks the required shareholder approval to the proposed issue of Share Rights to Mr McConnell under and for the purposes of Listing Rule 10.14.

If Items 6(a) or 6(b) are passed, the Company will be able to proceed with the issue of Share Rights as set out in Items 6(a) and 6(b) to Mr McConnell.

If Item 6(a) is not passed, the Company will not be able to proceed with the issue of Share Rights as set out in Item 6(a) to Mr McConnell. If Item 6(b) is not passed, the Company will not be able to proceed with the issue of Share Rights as set out in Item 6(b) to Mr McConnell.

Item 6(a) Approval of issue of Share Rights for FY20 (FY20 Grant)

The material terms of Mr McConnell's employment arrangements were made available to Members in the Company's announcement to the ASX on 13 November 2019. This included a notation that Mr McConnell would be eligible to participate in the Company's FY20 LTI plan (as part of the Company's Equity Plan), with a target incentive amount of 45% and maximum award of 60% of his Fixed Remuneration Package of \$350,000, subject to satisfaction of performance conditions set by the Company (summarised below).

By letter dated 15 April 2020, Mr McConnell was granted a conditional right to be issued with 61,551 Share Rights at \$3.4118 per Share, based upon the VWAP of the Company's Shares in the 10 days leading up to the pricing date of 13 November 2019.

The condition of the offer was the approval of the Company's shareholders at this meeting. The Company seeks shareholder approval in accordance with Listing Rule 10.14.1 of the issue of the aforementioned 61,551 Share Rights at the price noted above.

Details of the securities issued under the Company's Equity Plan will be published in the Company's Annual Report relating to the period in which they were issued, together with a statement that approval for the issue was obtained pursuant to Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Company's Equity Plan after this resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under that Rule.



Item 6(b) Approval of issue of Share Rights for FY21 (FY21 Grant)

The Board, on the recommendation of the Nomination and Remuneration Committee, proposes to invite Mr McConnell to participate in the FY21 LTI plan with a target incentive amount of 55% and maximum award of 70% of his Fixed Remuneration Package of \$550,000, subject to satisfaction of performance conditions set by the Company from time to time.

This would result in Mr McConnell being offered 89,148 Share Rights at \$4.3187 being the 10 day VWAP of the Company's Shares post announcement of the FY20 results (on 27 August 2020). The Company seeks the consent of Shareholders at this meeting in accordance with Listing Rule 10.14.1 of the issue of the aforementioned 89,148 Share Rights at the price noted above.

Details of any securities issued under the Company's Equity Plan will be published in the Company's Annual Report relating to the period in which they were issued together with a statement that approval for the issue was obtained pursuant to Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Company's Equity Plan after this resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under that Rule.

Effect of Scheme of Arrangement on Share Rights

The Company announced on 14 September 2020 that it entered into a Scheme Implementation Deed with Pacific Group Bidco Pty Ltd (an entity owned by fund advised by Pacific Equity Partners) (PEP) under which it is proposed that PEP will acquire 100% of the Shares by way of a Scheme of Arrangement (**Scheme**) that is subject to shareholder and court approval in accordance with the requirements of Part 5.1 of the Corporations Act.

A condition precedent of the Scheme Implementation Deed requires the Company to take all necessary steps to ensure all outstanding Share Rights will either vest and be exercised into Shares, be cash settled, or lapse and be cancelled by the "effective date" of the Scheme.

If the Scheme becomes effective, the Company confirms that the Share Rights being issued to Mr McConnell under the:

- a) FY20 Grant will vest and be cash settled by the payment of an amount to Mr McConnell equal to \$350,840.70; and
- b) FY21 Grant will **not** vest and be exercised into Shares and will **not** be cash settled, instead these Share Rights will lapse and be cancelled by the "effective date" of the Scheme.

If the Scheme does not become effective, any Share Rights issued to Mr McConnell under the FY20 Grant and FY21 Grant which are due to vest or lapse prematurely as a result of the Scheme will not vest or lapse and the original terms and conditions attaching to those Share Rights will continue to be in effect.

Material Terms of the Share Rights

Share Rights to be granted to Mr McConnell under the FY20 Grant and FY21 Grant are governed by the Company's Equity Plan Rules, which was announced on the ASX on 13 November 2014 upon the Company's admission.

The Board has determined that the Share Rights will be subject to the following performance conditions (as they apply to each of the FY20 Grant and FY21 Grant):



- 50% of the total Share Rights granted will be tested based on growth in Citadel's Revenue and EBITDA relative to the 3 years forecast (**Growth Matrix Performance Condition**); and
- 50% of the total Share Rights granted will be tested based on growth in Citadel's earnings per share (**EPS Performance Condition**).

The Growth Matrix Performance Condition and the EPS Performance Condition are independent of each other and will be assessed separately.

Each Performance Condition will be tested after the end of the relevant Performance Period after audited financial statements are available and reviewed by the Board, which along with the "target" and "maximum" LTI Awards for each grant are set out in the table below for each of the FY20 Grant and FY21 Grant to Mr McConnell:

	Growth Matrix Performance Period	EPS Performance Period	Vesting Period (for which Mr McConnell must remain employed for the Share Rights to vest)	LTI Award
FY20 Grant	1 July 2019 to 30 June 2022	1 July 2019 to 30 June 2022	13 November 2019 to 30 September 2022	Target incentive award amount of 45% and maximum award of 60% of fixed remuneration package of \$350,000
FY21 Grant	1 July 2020 to 30 June 2023	1 July 2020 to 30 June 2023	1 October 2020 to 30 September 2023	Target incentive award amount of 55% and maximum award of 70% of fixed remuneration package of \$550,000

Growth Matrix Performance Condition

FY20 and FY21 Grant

- 50% of the Share Rights in each of the FY20 Grant and FY21 Grant will be tested against the Revenue and EBITDA Growth Matrix which is directly linked to the objective of sustained profitable growth.
- The Growth Matrix Performance Condition measures Citadel's achievement of mid-term Revenue and EBITDA ensuring the focus of the business is on profitable growth over the relevant Growth Matrix Performance Period.
- The Growth Matrix Performance Condition is based on the Board approved three-year forecasts, set at the commencement of each relevant financial year.
- The Revenue and EBITDA Growth Matrix is a measure that is contingent on achieving the two related measures Revenue and EBITDA rather than either one in isolation. The Growth Matrix (shown below) is weighted 50% to Revenue and 50% to EBITDA growth reflecting the three-year strategy of profitable revenue growth to take full advantage of potential economies of scale.
- The relevant three-year target for both Revenue and EBITDA is established based on the business strategy, existing growth profiles and expected growth rates.



- The Board in its absolute discretion may adjust down the achieved revenue growth by a maximum of 15% if the Board determines the quality of the revenue is lower than expectations, such that a lower percentage of the achieved revenue growth is met. For example, where there is significant pass through revenue at little or no margin, or when revenue for a particular contract is at a margin significantly under usual trading terms.
- The Board in its absolute discretion may adjust the achieved revenue or EBITDA growth to take into account any significant non-cash items (for example impairment losses), acquisitions and divestments and one-off events/abnormal/non-recurring items where it is considered appropriate.
- Growth Matrix Share Rights will vest progressively on a straight-line basis between any 2 points of achievement for both the Revenue and EBITDA metrics.

In summary, Growth Matrix Share Rights will vest on the following basis:

	% of Growth Matrix Target Achieved	% of Growth Matrix Rights that vest	% of total Share Rights in grant that vest
Threshold:	< 90% of the 3 year Revenue or EBITDA Target	0%	0%
Threshold:	90% of the 3 year Revenue and EBITDA Target	55%	27.5%
Target:	100% of the 3 year Revenue and EBITDA Target	75%	37.5%
Maximum:	115% of the 3 year Revenue and EBITDA Target	100%	50%

3 Year Total EBITDA as a % of Target									
% of LTI Award	90%	95%	100%	105%	110%	115%	120%	125%	130%
3 Year Total Revenue as a % of Target	90%	55%	60%	65%	70%	75%	80%	85%	90%
	95%	60%	65%	70%	75%	80%	85%	90%	95%
	100%	65%	70%	75%	80%	85%	90%	95%	100%
	105%	70%	75%	80%	85%	90%	95%	100%	100%
	110%	75%	80%	85%	90%	95%	100%	100%	100%
	115%	80%	85%	90%	95%	100%	100%	100%	100%
	120%	85%	90%	95%	100%	100%	100%	100%	100%
	125%	90%	95%	100%	100%	100%	100%	100%	100%
	130%	95%	100%	100%	100%	100%	100%	100%	100%



EPS Performance Condition

FY20 Grant

Fifty percent of the Share Rights in the FY20 Grant will be tested against the EPS Performance Condition.

- The EPS Performance Condition requires the compound annual growth in Citadel's EPS over the relevant EPS Performance Period to exceed 10% before any of the Share Rights subject to that Condition (**EPS Share Rights**) vest.
- All of the EPS Share Rights will vest if the compound annual growth rate in Citadel's underlying EPS is 20% or more over the relevant EPS Performance Period. This is considered appropriate as it is broadly consistent with shareholder expectations and reflects that Citadel is now a more mature business with a mix of mature revenue streams that have a lower growth target, and new revenue streams that have a higher growth target.
- EPS Share Rights will vest progressively on a straight line basis for compound annual EPS growth between the threshold and maximum levels.
- An additional 1% increase in Citadel's compound annual EPS growth over the threshold will result in the vesting 5% of the EPS Share Rights, up to 20% of compound annual EPS growth.
- The 'base point' for measuring the rate of EPS growth for the FY20 Grant is the EPS for the financial year ended 30 June 2019.

EPS is defined as basic EPS per Australian Accounting Standards for continuing operations.

The Board in its absolute discretion may adjust EPS where it is considered appropriate, including (but not limited to):

- a) significant non-cash items including:
 - a. tax adjusted amortisation of acquired intangible assets;
 - b. tax adjusted finance expense relating to deferred consideration;
 - c. tax adjusted impairment;
- b) acquisitions and divestments; and
- c) one-off events/abnormal/non-recurring items where it is considered appropriate.

In summary, EPS Share Rights for the FY20 Grant will vest on the following basis:

	Compound annual growth rate in Citadel's underlying EPS	% of Underlying EPS Share Rights that vest	% of total Share Rights that vest
Below Threshold:	<10%	0%	0%
Threshold:	10%	50%	25%
Target	15%	75%	37.5%
Maximum	20%	100%	50%



FY21 Grant

As advised in the 2020 Remuneration Report, Egan Associates were engaged to assist the Nomination and Remuneration Committee to review the FY21 LTI Grant. Egan Associates recommended that the EPS Performance Condition remain in place for the FY21 Grant, but that the threshold, target and maximum hurdles be reduced to reflect the uncertainty surrounding the duration and effect of the COVID-19 pandemic on the business' activities.

Fifty percent of the Share Rights in the FY21 Grant will be tested against the EPS Performance Condition.

- The EPS Performance Condition requires the compound annual growth in Citadel's EPS over the relevant EPS Performance Period to exceed 8% before any of the Share Rights subject to that Condition (**EPS Share Rights**) vest.
- All of the EPS Share Rights will vest if the compound annual growth rate in Citadel's underlying EPS is 16% or more over the relevant EPS Performance Period. This is considered appropriate as it is broadly consistent with shareholder expectations and reflects that Citadel is now a more mature business with a mix of mature revenue streams that have a lower growth target, and new revenue streams that have a higher growth target.
- EPS Share Rights will vest progressively on a straight line basis for compound annual EPS growth between the threshold and maximum levels.
- An additional 1% increase in Citadel's compound annual EPS growth over the threshold will result in the vesting 6.25% of the EPS Share Rights, up to 16% of compound annual EPS growth.
- The 'base point' for measuring the rate of EPS growth for the FY21 Grant is the EPS for the financial year ended 30 June 2020.

EPS is defined as basic EPS per Australian Accounting Standards for continuing operations.

The Board in its absolute discretion may adjust EPS where it is considered appropriate, including (but not limited to):

- significant non-cash items including:
 - tax adjusted amortisation of acquired intangible assets;
 - tax adjusted finance expense relating to deferred consideration;
 - tax adjusted impairment;
- acquisitions and divestments; and
- one-off events/abnormal/non-recurring items where it is considered appropriate.

In summary, EPS Share Rights for the FY21 Grant will vest on the following basis:

	Compound annual growth rate in Citadel's underlying EPS	% of Underlying EPS Share Rights that vest	% of total Share Rights that vest
Below Threshold:	<8%	0%	0%
Threshold:	8%	50%	25%
Target	12%	75%	37.5%
Maximum	16%	100%	50%



Other key terms

The table below sets out some key terms of the LTI Plan, please refer to the full Equity Plan Rules as announced on the ASX on 13 November 2014.

Conversion into Shares	<p>Upon the vesting of Share Rights, or if a period during which Share Rights may be exercised then upon the exercise of vested Share Rights, the Company must issue or procure the transfer of the number of Shares into which Share Rights are convertible as outlined in the terms of a grant or invitation.</p> <p>All Shares issued will rank equally in all respects with other ordinary shares in the Company.</p> <p>However, the Board may determine that, upon vesting of Share Rights or upon the exercise of vested Share Rights, the Participant will receive a cash payment in full satisfaction of the Shares that would otherwise be allocated on vesting or exercise of those Share Rights (after deduction of any amount required by law to be withheld).</p> <p>Share Rights do not carry any voting rights.</p>
Change of control	<p>If an Event (as that term is defined in the Equity Plan Rules) occurs prior to the Share Rights vesting then, unless the Board determines otherwise within 14 days of the relevant Event (or such longer period as the Board may decide), the number of unvested Share Rights held by a Participant will be pro rata according to the proportion of the Period applicable to each of those Share Rights that has elapsed to the date of the Event, and that the pro rata number of Share Rights will vest to the extent the Conditions applicable to each of those Share Rights are satisfied at that time.</p>
Restrictions	<p>Under the FY20 Grant and FY21 Grant, Shares allocated on vesting of Share Rights will not be subject to any further dealing restrictions. Therefore, participants may immediately deal with Shares allocated, subject to complying with the Company's Share Trading Policy.</p>
Cessation of employment	<p>In general, if employment with the Company ceases prior to the Vesting Period, all of the unvested Share Rights will lapse on the date employment ceases.</p> <p>However, where cessation occurs as a result of death, disability, redundancy, genuine retirement or other circumstances approved by the Board ('good leaving'), the number of unvested Share Rights in each current grant at that time will vest pro rata according to the proportion of the relevant Vesting Period completed to the cessation date and tested against the Performance Conditions as normal following the end of the relevant Performance Period, subject to the Board having a discretion to determine a different treatment for any unvested Share Rights.</p>
Board Discretion	<p>The Board may, at any time, amend the terms and conditions of the offer in accordance with the Equity Plan Rules, provided the amendment does not materially reduce or otherwise prejudicially affect rights attaching to the Share Rights.</p> <p>The Company may, in its absolute discretion, make a cash payment in respect of vested Share Rights instead of delivering Shares.</p>

Information required by Listing Rule 10.15

The following information is provided to Shareholders for the purposes of Listing Rule 10.14:

- a) The Share Rights to be issued under Items 6(a) and (b) will be issued to Mr Mark McConnell.
- b) Mr McConnell is the Managing Director of the Company.
- c) The maximum number of Share Rights that may be issued to Mr McConnell pursuant to:
 - Item 6(a) is 61,551 Share Rights; and
 - Item 6(b) is 89,148 Share Rights.
- d) Mr McConnell's fixed remuneration package (not including the value of the FY20 Grant or the FY21 Grant) as at the date of this meeting is \$550,000. The Share Rights under the FY20 Grant have a potential value of \$210,000, being up to 60% of McConnell's fixed



remuneration in FY20 of \$350,000. The Share Rights under the FY21 Grant have a potential value of \$385,000, being up to 70% of Mr McConnell's fixed remuneration. Further, Mr McConnell also holds short term incentives under which he is entitled to between 60% to 80% of annual fixed remuneration subject to performance conditions being met.

- e) A summary of the material terms of the Share Rights are set out above.
- f) The Board believes that the offer of Share Rights, rather than Shares, are an appropriate form of incentive on the basis that:
 - the plan is designed to attract, motivate and retain high calibre employees and to link rewards for senior management to the creation of value for Citadel's shareholders;
 - it focuses executives on what is important by ensuring that incentive reward is contingent on outcomes that grow and/or protect shareholder value;
 - it balances the mix of Short-Term Incentives (STI) and Long-Term Incentives (LTI) to ensure any focus on annual results does not offset the need to invest and nurture the business for longer term success as a sustainable and growing business;
 - it aligns the interests of executives and shareholders by ensuring a suitable proportion of remuneration is received as a share-based award; and
 - it combines performance targets that balance the goals of achieving both sustainable growth and yield.
- g) The Share Rights under the:
 - FY20 Grant have a potential value of \$210,000, being up to 60% of McConnell's fixed remuneration in FY20 of \$350,000. The total number of Share Rights granted under the FY20 Grant (being 61,551 Share Rights) was calculated based off the maximum potential value of \$210,000 and the VWAP of the Company's shares in the 10 days leading up to the pricing date of 13 November 2019 of \$3.4118 per Share; and
 - FY21 Grant have a potential value of \$385,000, being up to 70% of Mr McConnell's fixed remuneration in FY21 of \$550,000. The total number of Share Rights proposed to be granted under the FY21 Grant (being 89,148 Share Rights) has been calculated based of the maximum potential value of \$385,000 and the 10 day VWAP of the Company's Shares post announcement of the FY20 results (on 27 August 2020) of \$4.3187 per Share.
- h) No payments for the Share Rights or upon vesting of the Share Rights is required by the holder;
- i) 16,526 Share Rights have previously been issued (for nil issue price) to Mr McConnell under the Equity Plan.
- j) A voting exclusion statement has been included in relation to the resolutions in Items 6(a) and 6(b);
- k) No loans are being provided in respect of the issue of the Share Rights; and
- l) The Company will issue the Share Rights no later than 12 months after the date of the Meeting.

Chapter 2E

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties of a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions applies or shareholder approval is obtained. For the purposes of Chapter 2E, Mr McConnell as Managing Director is a related party of the Company, by virtue of sections 228(2) of the Corporations Act.



The Board is satisfied that the “reasonable remuneration” exception in relation to Chapter 2E of the Corporations Act applies to the proposed issue of Share Rights under the FY20 Grant and FY21 Grant to Mr McConnell.

Board recommendation and undirected proxies

The Board (with Mr McConnell abstaining) recommends that Shareholders vote in **FAVOUR** of this resolution.

Shareholders should note that the Chairman will vote all undirected proxies in favour of the resolutions in Item 6(a) and 6(b). If you appoint the Chairman as your proxy, and you do not direct your proxy how to vote on this item on the proxy form, you will be expressly authorising the Chairman of the Meeting to exercise the proxy even though the resolution is connected, directly or indirectly, with the remuneration of Mr McConnell, a fellow Director.

ITEM 7 – Approval of Non-Executive Director Fee Pool

Under the Constitution, the Board decides the total amount paid to each Director as remuneration for their services. The total amount of fees paid to all Directors for their services (excluding, for these purposes, the salary of any Executive Director) must not exceed in aggregate in any financial year the amount fixed by the Company in general meeting (**Pool Limit**). The current Pool Limit is \$500,000.

In accordance with Rule 55 of the Constitution and ASX Listing Rule 10.17, Item 7 is being put to Shareholders to increase the Pool Limit by \$200,000 to \$700,000 per annum (**Proposed Pool Limit**), with the increase to take effect on and from the date this resolution is passed.

Details of the remuneration paid to Directors for the financial year ended 30 June 2020 are set out in the Company's Remuneration Report.

The Board considers that the proposed increase in the Pool Limit will provide the Company with greater flexibility in providing remuneration for Non-Executive Directors that is consistent with current market based payments. In particular, the Company expects that an increased Pool Limit will enable it to:

- a) maintain market competitiveness by enabling future increases to be made to the remuneration of Non-Executive Directors;
- b) maintain a sufficient reserve in the Pool Limit in order to continue to attract new and appropriately skilled and qualified Non-Executive Directors to the Company; and
- c) recruit high caliber Non-Executive Directors to fill any casual vacancies which arise on the Board from time to time.

The Board does not intend to increase the remuneration of the existing Directors in the current financial year.

ASX Listing Rule disclosures – Listing Rule 14.1A and 10.17

The following is required by Listing Rule 14.1A to be disclosed.

In accordance with Listing Rule 10.17, the Company must not increase the total aggregate amount of directors' fees payable to all of its Non-Executive Directors without the approval of Shareholders. For the purposes of this rule, "directors' fees" means all fees payable by the Company or any of its subsidiaries to a Non-Executive Director for acting as a director of the Company or any subsidiary and includes superannuation contributions and any fees which a Non-Executive Director agrees to



sacrifice for other benefits. It does not include reimbursement of genuine out-of-pocket expenses, genuine "special exertion" fees paid in accordance with the Constitution, or securities issued to a Non-Executive Director under Listing Rules 10.11 or 10.14 with the approval of Shareholders.

The notice of meeting must include the following disclosures under Listing Rule 10.17:

- a) the amount of the increase to the Pool Limit is \$200,000;
- b) the maximum aggregate amount of directors' fees that may be paid to all of the Company's Non-Executive Directors is \$700,000 per annum;
- c) the following securities have been issued to Non-Executive Directors under Listing Rule 10.11 or 10.14 with the approval of Shareholder within the preceding 3 years:
 - a. 21,150 Share Rights to Miles Jakeman in respect of the FY18 LTI Grant (approved at the 2017 AGM on 24 October 2017).
- d) A voting exclusion statement has been included in this Notice of Meeting.

If the resolution for Item 7 is passed, the Pool Limit will be increased to \$700,000. If the resolution is not passed, the Pool Limit will remain as \$500,000.

Board recommendation and undirected proxies

Given the interests of Directors in this Item, the Board makes no recommendation in relation to item 7.

Shareholders should note that the Chairman will vote all undirected proxies in favour of the resolution in Item 7. If you appoint the Chairman as your proxy, and you do not direct your proxy how to vote on this item on the proxy form, you will be expressly authorising the Chairman of the Meeting to exercise the proxy even though the resolution is connected, directly or indirectly, with the remuneration of the Directors, which includes the Chairman.



GLOSSARY

AEDT means Australian Eastern Daylight Savings Time as observed in Canberra, Australia.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASX means ASX Limited ACN 008 624 691.

ASX Listing Rules means the Listing Rules of the ASX, as amended or replaced from time to time except to the extent of any express written waiver by ASX.

ASX Principles means the ASX Corporate Governance Principles and Recommendations (4th edition).

Board means the current Board of directors of the Company.

Closely Related Party has the meaning as defined in section 9 of the Corporations Act.

Company means The Citadel Group Limited ACN 127 151 026.

Corporations Act means *Corporations Act 2001* (Cth).

Director means a director of the Company.

Entitlement Time means 7.00pm (AEDT) on Tuesday 17 November 2020.

Equity Plan Rules means the rules governing the Company's long term incentive scheme, the full terms of which was announced on the ASX on 13 November 2014.

Equity Securities has the same meaning as in the ASX Listing Rules.

Group means the Company and each of its wholly owned subsidiaries from time to time.

Items means the resolutions set out in the Notice, or any one of them, as the context requires.

Key Management Personnel or KMP has the following meanings:

- (a) where the term appears in relation to a resolution under section 250R(2) of the Corporations Act, means members and former members of the key management personnel of the Group whose remuneration details are disclosed in the Remuneration Report; and
- (b) otherwise, has the same meaning as that term in the accounting standards.

Notice, Notice of Meeting or Notice of Annual General Meeting means this notice of annual general meeting and the explanatory notes accompanying the Notice and the Proxy Form.

Proxy Deadline means 4pm (AEDT) on Tuesday 17 November 2020.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's Report section of the Company's annual financial report for the year ended 30 June 2020.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the Company.

Shareholders mean holders of Shares.



citadel group
MANAGING COMPLEXITY

Share Right means a right to be issued a Share under the Company's long term incentive scheme, which is governed by the Equity Plan Rules subject to any other terms and conditions attaching to such right.

Trading Day means a day determined by ASX to be a trading day in accordance with the ASX Listing Rules.

VWAP means the volume weighted average price of trading in Shares on the ASX market and the Chi-X market over a specified period, excluding block trades, large portfolio trades, permitted trades during the pre-trading hours period, permitted trades during the post-trading hours period, out of hours trades and exchange traded option exercises.



LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

The Citadel Group Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of The Citadel Group Ltd and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ **the Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **4:00pm on Thursday, 19 November 2020** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at <https://agmlive.link/CGL202> (refer to details in the Virtual Annual General Meeting Online Guide). You can view and download the **Notice of Annual General Meeting and Explanatory Memorandum** at the Company's website at <https://investors.citadelgroup.com.au>

Important for Resolutions 2, 6a, 6b & 7: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 2, 6a, 6b & 7, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

2 Remuneration Report

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

6a Approval of issue of share rights for FY2020 to the CEO, Mark McConnell

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

3 Re-election of Peter Leahy AC Lt Gen (Retd) as a Director of the Company

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

6b Approval of issue of share rights for FY2021 to the CEO, Mark McConnell

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

4 Re-election of Mr Robert (Bob) Alexander as a Director of the Company

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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7 Increase of Non-Executive Director Fee pool

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

5 Re-election of Ms Jayne Shaw as a Director of the Company

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

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Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting Virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at vote@linkmarketservices.com.au prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **4:00pm on Tuesday, 17 November 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MAIL

The Citadel Group Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



ACCESS YOUR NOTICE OF ANNUAL GENERAL MEETING

To view or download the full **Notice of Meeting and Explanatory Memorandum** which sets out the Agenda (including details of all resolutions being put to the meeting) please visit the company's website. Per modifications of the Corporations Act 2001 and the Corporations Regulations 2001 under Corporations (Coronavirus Economic Response) Determination (no.1) 2020 ("Determination") no hard copy Notice of Meeting and Explanatory Memorandum has been included in this mailing, the Notice of Meeting for the purposes of this meeting has been given to those entitled to receive by use of one or more technologies.