



CITADEL BOARD CHARTER

Corporate Governance
Policy



The Citadel Group Limited
ACN 127 151 026

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1 CITADEL BOARD CHARTER

1.1 INTRODUCTION

This is the Charter of the Board of The Citadel Group Limited (**Citadel**). It sets out the principles governing the Board's operations and the Board's role and responsibilities, composition, structure and membership requirements.

The Board may approve updates and amendments to this Charter from time to time.

1.2 ROLE OF THE BOARD

The Board is responsible for the overall operation and stewardship of the Company. In particular, the Board is responsible for the long-term growth and profitability of the Company, its values, strategies, policies and financial objectives. The Board is also responsible for demonstrating leadership, assessing the Company's cultural adherence to its values, monitoring the implementation of its policies, strategies and financial objectives, including the responsibilities set out below.

In addition to any matters that are expressly required by law to be approved by the Board, the following powers are specifically reserved for the Citadel Board:

1.2.1 Governance

- > Monitoring compliance with legal & constitutional obligations, the Risk Appetite Statement and other material policies;
- > overseeing fraud, risk (financial and non-financial), control, reporting and accountability systems and satisfying itself that appropriate frameworks exist for relevant information to be reported to the Board and that material information is disclosed to the ASX in a timely and balanced way in accordance with the Listing Rules;
- > approving the Company's Work Health and Safety (**WHS**) Framework and material WHS policies;
- > approving Environmental statements;
- > approving Treasury policies (including debt and foreign exchange exposures);
- > determining that satisfactory arrangements are in place for auditing Citadel's financial affairs and that the scope of its audit is adequate;
- > approving financial statements and any significant changes to accounting policies;
- > appointing the Chairperson and, if the company requires one, the deputy chairperson and/or the "senior independent director";
- > making appointments of members to, and removing members from, Board Committees;
- > approving Charters of Board Committees;
- > dealing with matters referred to it from Board Committees; and
- > approving the Company's insurance programme.

1.2.2 Performance

- > Providing guidance on, and approval of, Citadel's corporate strategy and performance;
- > shaping and approving the strategic plan and associated annual operating and capital expenditure budgets;
- > monitoring the implementation of financial and other objectives;
- > appointing and removing members of the Citadel management team as required;
- > monitoring and evaluating the performance of the Citadel management team as required;



- > changing Citadel's capital structure through the issue or buy-back of shares, options, equity instruments or other securities;
- > approving and monitoring any acquisitions and divestitures; and
- > approving dividend or distribution payments.

1.2.3 Culture

- > approving and monitoring compliance with the Company's values, Codes of Ethics and Conduct, and other material cultural policies;
- > approving the Company's Whistleblower Policy and its Bribery, Corruption, Gifts, & Hospitality Policy; and
- > reviewing succession planning, HR recruitment/retention and management development arrangements.

1.3 ROLE OF THE CHAIRPERSON

The Chairperson of the Board must be an independent director and, in particular, should not be the same person as Citadel's Managing Director or Chief Executive Officer. The Chairperson is responsible for the following:

- > the leadership of the Board;
- > the efficient organisation and conduct of the Board's function;
- > providing briefing to all directors in relation to issues arising at Board meetings;
- > facilitating effective contribution of all directors;
- > promoting constructive and respectful relations between Board members and between the Board and Management;
- > following up matters arising from Board meetings; and
- > ultimately setting the Board agenda.

1.4 ROLE OF THE MANAGING DIRECTOR

The Managing Director is responsible to the Board for the Company's overall management and performance. The Managing Director should manage Citadel in accordance with the strategy, plans, practices and policies approved by the Board to achieve the agreed objectives. In particular the Managing Director's responsibilities include:

- > being a conduit through which the Board is provided sufficient and relevant information to act effectively;
- > demonstrating leadership to Citadel and acting as Citadel's interface with its operating environment and the general business and investment community;
- > taking action to implement Citadel's corporate strategy, including being active in identifying new initiatives for consideration;
- > ensuring Citadel's policies are complied with;
- > referring all matters outside of the Managing Director's delegations to the Board for approval; and
- > such other responsibilities as delegated by the Board from time to time.

All directors will have access to the Managing Director.

1.5 ROLE OF INDIVIDUAL DIRECTORS

The role of directors includes:



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

1.6 ROLE OF THE COMPANY SECRETARY

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

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

The Company Secretary is accountable to the Board and his or her appointment and removal is a matter for the Board as a whole. The Company Secretary will advise the Chairperson, and through the Chairperson, the Board and individual Directors on all matters of governance process. All directors will have access to the Company Secretary.

1.7 ROLE OF MANAGEMENT

The Citadel senior executives' roles and responsibilities are to:

- > demonstrate leadership and compliance with the Company's values, Codes and policies;
- > recommend Citadel's corporate strategy to the Board for approval and once it is approved, implement the corporate strategy;
- > assume day to day responsibility for Citadel's compliance with relevant laws, regulations and its governance framework;
- > achieve the performance targets set by the Board;



- > develop, implement and manage Citadel's risk management and internal control frameworks as appropriate to the business of the Group;
- > develop, implement and update Citadel's policies, procedures and systems;
- > be alert to relevant trends in Citadel's operating environment and the wider technology industry;
- > provide sufficient and relevant information to the Board to enable the Board to effectively discharge its responsibilities;
- > act as a conduit between the Board and Citadel subsidiary companies and associates; and
- > manage Citadel's human, physical and financial resources to achieve Citadel's objectives.

1.8 BOARD COMPOSITION

1.8.1 Board size

The Company's Constitution provides that the Board must at any time be no less than 3 and no more than 6.

1.8.2 Board composition

The Board should comprise:

- > a majority of people who are independent directors; and
- > people who collectively have the skills, commitment, and knowledge of the Company and the industry in which it operates to enable the Board to discharge its duties effectively and to add value.

The composition of the Board is to be reviewed periodically by the Nomination and Remuneration Committee to ensure that it has the appropriate mix of skills, expertise and experience.

When a vacancy exists, or where it is considered (through a recommendation of the Remuneration and Nomination Committee or otherwise) that the Board would benefit from the services of a new member with particular skills, the Chairperson will raise this with other Board members and then, as appropriate, the Nomination and Remuneration Committee will recommend the appointment of the most suitable candidates.

The performance of the Board and non-executive members will be undertaken annually, with the possibility of re-appointment.

1.8.3 Appointment

In accordance with the Company's constitution, no Director except an executive director will hold office for a continuous period of more than 3 years without seeking re-election.

Each Director will have a written agreement setting out the terms of their appointment.

1.8.4 Meetings of the Board

The Board will meet in accordance with the Constitution of the Company, but no less than quarterly.

The Chairperson will take reasonable measures to ensure that, where possible, a quorum is formed for each meeting and for each agenda item.

Board members will receive relevant Board papers a reasonable time before each meeting (ordinarily at least 7 days beforehand), and in a format specified by it.

The Chairperson may request the attendance of any person at a meeting who is responsible for, or associated with, a matter included as an agenda item at a meeting.

1.8.5 Committees of the Board

In order to assist the Board in fulfilling its role the following committees may be established at the Board's discretion in order to achieve both its performance and conformance requirements:

- > Performance
 - Nomination & Remuneration Committee;
 - Human Resources Management;
 - Mergers and Acquisitions Committee; and,
 - specialist committees.
- > Compliance
 - Audit, Risk and Compliance Committee; and,
 - Specialist Committees (such as the Disclosure Committee).

The Board will adopt Committee Charters in respect of all Committees, addressing the role, duties and responsibilities, composition and structure, administration and any other matters the Board determines relevant to such Committee.

The Board will appoint members to the Committees and make changes to membership as necessary.

The Board will regularly evaluate the operations of the Committees.

All Board members will receive copies of Committee papers, including minutes, in respect of each Committee and may attend meetings of Committees of which they are not members.

1.9 RIGHT TO INDEPENDENT ADVICE

The Board, an individual Board member or a Committee established at the Board's direction may engage an independent external adviser in relation to any Board matter at the expense of the Company. Before the external advice is sought, consent needs to be obtained. In the case of:

- > the Board – from the Chairperson;
- > an individual Board member – from the Chairperson or the relevant Committee Chairperson; and
- > a Committee – from the Committee Chairperson.

A copy of any advice received may be made available to all members of the Board.

1.10 CONFIDENTIALITY

All information acquired by directors during their appointment is confidential to Citadel and is not to be released without prior clearance from the Board, except when required by law.

1.11 CONFLICTS OF INTEREST

In giving effect to this Board Charter:

- > each Board member will at all times act honestly, fairly, diligently, and in all respects in accordance with the law applicable to the Company;
- > each Board Member will at all times act in the interests of shareholders of the Company as a whole, and will have regard to the interests of employees and customers of Citadel and the community and environment in which Citadel operates;
- > Board members will ensure that they do not have any business or other relationship that could materially influence or interfere with the exercise of their independent judgement, apart from those formally disclosed to the Company;

Citadel will disclose:

- > the names of the directors considered by the Board to be independent directors;
- > if a director has an interest, position, association or relationship of a type set out in Box 2.3 of the Third Edition of the ASX Corporate Governance Principles and Recommendations but the Board is of the opinion that it does not compromise the independence of the director, the

- > nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and
- > the length of service of each director.

1.12 BOARD PERFORMANCE REVIEW

The Board will undertake an annual performance review and also ensure that each of the Board Committees also conduct an annual review of their performance, to be reported to the Board.

The Board self-assessment process will include:

- > determining the Board's objectives for the following year;
- > comparing the Board's practices with the requirements of its Board Charter;
- > identifying any enhancements to the Board Charter; and
- > reviewing and implementing governance practices to enhance the Board's effectiveness.

This self-assessment process will include surveys of Board members and senior management.

1.13 ACCESS TO THIS BOARD CHARTER

This Board Charter will be made available on the Citadel website or in hard copy upon request.

1.14 ADOPTION

This Charter was adopted by the Board on 28 May 2020, and takes effect from 1 July 2020.



The Citadel Group Limited

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