



Delegation of Authority Policy

CROMWELL PROPERTY GROUP

Cromwell Corporation Limited ABN 44 001 056 980

Cromwell Property Securities Limited ABN 11 079 147 809

Cromwell Funds Management Limited ABN 63 114 782 777

Cromwell Real Estate Partners Pty Ltd ABN 23 152 674 792

Cromwell Seven Hills Pty Limited ABN 61 128 764 125

Cromwell European Holdings Limited Company Number 938 1845

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1. Background

Cromwell Property Group (**Cromwell** or **Group**) comprises Cromwell Corporation Limited (**CCL**) and the Cromwell Diversified Property Trust (**Trust**) (the responsible entity of which is Cromwell Property Securities Limited (**CPS**)). The units in the Trust are stapled to ordinary shares in CCL and trade jointly on the Australian Securities Exchange (**ASX**) as Cromwell Property Group stapled securities (ASX:CMW). The Boards of CCL and CPS are collectively referred to in this policy as the **Board**.

Cromwell Funds Management Limited (**CFM**) acts as responsible entity for a number of registered managed investment schemes. CPS, Cromwell Real Estate Partners Pty Ltd (**CRE**) and Cromwell Seven Hills Pty Limited (**CSH**) respectively act as trustee for various unregistered trusts. CFM, CPS, CRE and CSH are wholly owned subsidiaries of CCL and therefore are Group entities.

Cromwell European Holdings Limited is the UK holding company for the Group's European business.

One of the fundamental principles of good corporate governance is the need for a delineation of the duties of the Board and senior management. The ASX Corporate Governance Council (**CGC**) recognises this fundamental principle of good governance and has embodied it in its Corporate Governance Principles and Recommendations (3rd edition): *Principle 1 – 'Lay solid foundations for management and oversight'*. The CGC recommends, and it is generally acknowledged as good practice, for a company's framework to be designed to:

- enable the Board to provide strategic guidance for the company and effective oversight of management; and
- clarify the respective roles and responsibilities of Board members and senior executives in order to facilitate Board and management accountability to both the company and its stakeholders.

The Board has delegated certain of its powers to manage the business of the Group. The split of powers between the Board and senior management is set out in Appendix 1, Delegations Register, which is amended from time to time.¹

2. Purpose

The Board has delegated authority to the Chief Executive Officer of the Group for the day to day business and affairs of the Group. The delegation is subject to, and limited by, the terms

¹ The Delegations Register is not published externally because it contains commercially sensitive information.

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of the Constitutions of the Group, the Board Charter and any specific limitations on authority imposed by the Board from time to time.

The purpose of this document is to formalise the authority delegated by the Board to senior management in order to:

- a) enable the Board to provide strategic guidance for the Group and effective oversight of management;
- b) clarify the respective roles and responsibilities of the Board and the Chief Executive Officer of the Group in order to facilitate Board and management accountability to both the Group and its securityholders;
- c) clarify the roles and responsibilities of management in order to facilitate accountability to both the Group and its stakeholders;
- d) ensure a balance of authority so that no single individual has unfettered powers; and
- e) provide a process for effective and efficient management of the Group.

3. Application

This policy applies to all entities that comprise the Group and any managed investment schemes for which a Group entity acts as responsible entity or trustee. Specific delegations for these entities are also set out in Appendix 1, Delegation Register, which is amended from time to time.

4. Delegations Framework

4.1 Matters reserved for Board

The matters specifically reserved for the Board under the Delegation of Authority Policy include decisions about the Group's strategy and policies, as well as matters involving amounts over specified limits (which vary depending upon the nature of the transaction). The Board also has authority for succession planning for the Chief Executive Officer of the Group.

The Board also reserves to itself all matters with the potential to have a material impact on the reputation of the Group.

4.2 Delegation to management

All matters not specifically reserved for the Board and which are necessary for the day to day management of the Group are delegated to management. Executive management can sub-delegate authority where appropriate.

When exercising a delegation, delegates must comply with approved policies and procedures. Delegates must understand the responsibilities associated with their delegations and the procedures that are required before approvals are given.

4.3 Reporting to the Board

As part of the enterprise risk management framework set up by the Board, management is required to report regularly to the Board concerning the authority exercised and matters which come, or may come, within the scope of the matters reserved for the Board. The reports cover a range of matters, including litigation activity, financial performance, derivative activity, counterparty risk and risk management.

5. Accountability

Delegates are accountable to the Chief Executive Officer of the Group for the results of exercising their delegations and the responsibilities allocated to them.

Delegations are directed at positions/titles rather than at individuals. However, individuals occupying such positions will be held accountable.

6. Approved, adopted and reviewed

This policy was approved and adopted by the Board on 24 September 2008. From time to time, the policy is subject to amendment. Any amendments are approved by the Board. The Policy was reviewed, approved and adopted by:

- a) the Board of Cromwell Property Group in March 2018;
- b) the Board of Cromwell Funds Management Limited in March 2018;
- c) the Board of Cromwell Real Estate Partners Pty Ltd in March 2018;
- d) the Board of Cromwell Seven Hills Pty Limited in March 2018; and
- e) the Board of Cromwell European Holdings Limited in or around March 2018.