



# Board Charter

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## CROMWELL PROPERTY GROUP

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Cromwell Corporation Limited ABN 44 001 056 980

Cromwell Property Securities Limited ABN 11 079 147 809

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# Board Charter

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## 1. Introduction

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- a) 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)), and subsidiaries of those entities. 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).
- b) The operation of the boards of CCL and CPS (each a Company with its own Board) is governed by this Charter.
- c) The Board is responsible for the corporate governance of Cromwell Property Group.
- d) The purpose of this Charter is to:
  - i) promote high standards of corporate governance;
  - ii) clarify the role and responsibilities of the Board; and
  - iii) enable the Board to provide strategic guidance for Cromwell Property Group and effective management oversight.
- e) This Charter is supported by Cromwell Property Group's Code of Conduct and the Charter of each of the Audit and Risk Committee, Investment Committee and Nomination and Remuneration Committee.

## 2. Board size, composition and independence

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- a) There must be a minimum of three directors and a maximum of nine directors.
- b) The Board shall comprise:
  - i) a majority of independent non-executive directors;
  - ii) directors with an appropriate range of skills, experience and expertise;
  - iii) directors who can understand and competently deal with current and emerging business issues; and
  - iv) directors who can effectively review and challenge the performance of management and exercise independent judgement.
- c) An independent non-executive director is one who meets the criteria for independence set out in the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (4<sup>th</sup> edition)*.
- d) The Nomination and Remuneration Committee is responsible for recommending to the Board, nominees for membership of the Board and the re-election of retiring Cromwell Directors.
- e) Each director is appointed by a formal letter of appointment setting out the terms and conditions of their appointment to ensure that each director clearly understands Cromwell's expectations of him or her.

### 3. The Board's role and responsibilities

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- a) The Board acts on behalf of securityholders and is accountable to securityholders for the overall strategy, performance and governance of Cromwell Property Group.
- b) The Board is responsible for:
  - i) providing and demonstrating leadership to Cromwell Property Group, defining Cromwell's purpose and defining and setting its strategic objectives;
  - ii) overseeing Cromwell Property Group, including the integrity of its accounting and corporate reporting systems, including the external audit;
  - iii) appointing and replacing the Chief Executive Officer;
  - iv) monitoring the performance of the Chief Executive Officer;
  - v) approving the appointment and replacement of other senior executives and the Company Secretary;
  - vi) approving the remuneration framework for Cromwell Property Group and satisfying itself that Cromwell's remuneration policies are aligned with the Group's purpose, values, strategic objectives and risk appetite;
  - vii) approving succession plans for management;
  - viii) monitoring senior management's performance and implementation of Cromwell's strategic objectives, ensuring appropriate resources are available and, whenever required, challenging management and holding it to account;
  - ix) reporting to securityholders;
  - x) determining distribution/dividend payments;
  - xi) approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestments and approving operating budgets;
  - xii) approving and monitoring financial and other reporting and satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;
  - xiii) satisfying itself that an appropriate risk management framework that covers both financial and non-financial risks is in place and setting the risk appetite within which the Board expects management to operate;
  - xiv) reviewing and ratifying systems of internal compliance and control and legal compliance to ensure appropriate governance and compliance frameworks and controls are in place;
  - xv) approving charters of Board Committees;
  - xvi) overseeing the process for ensuring timely and balanced disclosure of all 'price sensitive' information in accordance with the *Corporations Act 2001* (Cth) and the ASX Listing Rules;
  - xvii) monitoring and ensuring compliance with legal and regulatory requirements and ethical standards and policies;
  - xviii) monitoring the effectiveness of governance practices and the Group Sustainability Framework; and

- xix) approving Cromwell Property Group's statement of values and Code of Conduct to underpin the desired culture within the Group and overseeing management in instilling and reinforcing these values.

## 4. The Board and management

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- a) Responsibility for day to day management and administration of Cromwell Property Group is delegated by the Board to the Chief Executive Officer and the senior executives.
- b) The Chief Executive Officer manages Cromwell Property Group in accordance with the strategy, plans and policies approved by the Board.
- c) The Chief Executive Officer and senior executives provide the Board with accurate, timely and clear information on Cromwell's operations to enable the Board to perform its responsibilities.
- d) The Board has in place procedures to assess the performance of the Chief Executive Officer and senior executive team.

## 5. Board Committees

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- a) The Board has established the following committees to assist it in carrying out its responsibilities, to share detailed work and to consider certain issues and functions in detail:
  - i) Audit and Risk Committee;
  - ii) Investment Committee; and
  - iii) Nomination and Remuneration Committee.
- b) The charter of each Board Committee, setting out matters relevant to the composition, responsibilities and administration of the Board Committee, must be approved by the Board. Each Board Committee will review its charter from time to time as appropriate.

## 6. Audit and Risk Committee

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- a) As outlined in its charter, the objectives of the Audit and Risk Committee are to:
  - i) help the Board to achieve its objectives in relation to:
    - A) financial reporting;
    - B) the application of accounting policies;
    - C) business policies and practices;
    - D) legal and regulatory compliance; and
    - E) internal control, governance and risk management systems;
  - ii) maintain and improve the quality, credibility and objectivity of the financial accountability process (including financial reporting on a consolidated basis);
  - iii) promote a culture of compliance;

- iv) ensure effective communication between the Board and the senior executives with compliance responsibilities;
  - v) provide a forum for communication between the Board and senior finance executives;
  - vi) ensure an effective external audit function and communication between the Board and the external auditor; and
  - vii) ensure compliance strategies and the compliance function are effective.
- b) The Audit and Risk Committee must comprise:
- i) at least three Cromwell Directors. These Cromwell Directors must, between them, have the accounting and financial expertise and understanding of the industry(ies) in which Cromwell Property Group operates to meet the Committee's objectives; and
  - ii) a majority of independent Cromwell Directors.
- c) The Chair of the Audit and Risk Committee must be an independent Cromwell Director and may not be the Chair of the Cromwell Board.

## **7. Investment Committee**

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- a) The objectives of the Investment Committee are to help the Board to achieve its objectives in relation to:
- i) portfolio strategy;
  - ii) the investment criteria for each investing entity;
  - iii) transactions – including acquisitions, disposals, redevelopment opportunities, investments in new business opportunities and underwriting new fund opportunities; and
  - iv) managing conflicts of interest that may arise for Cromwell Directors from time to time. Cromwell is committed to having the highest integrity in its business and ensuring conflicts of interest are adequately dealt with.
- b) The Investment Committee must comprise:
- i) at least four Cromwell Directors; and
  - ii) at least half of the Committee membership being independent Cromwell Directors.

## **8. Nomination and Remuneration Committee**

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- a) As outlined in its charter, the objectives of the Nomination and Remuneration Committee are to assist the Board to achieve its objectives of ensuring Cromwell Property Group:
- i) has coherent remuneration policies and practices to attract, retain and motivate senior executives and directors who will create value for securityholders;
  - ii) observes those remuneration policies and practices;
  - iii) fairly and responsibly rewards senior executives and other employees having regard to the performance of Cromwell Property Group, the performance of the senior executive or employee and the general pay environment; and

- iv) has a board of directors of an effective composition, size and commitment to adequately discharge its responsibilities and duties.
- b) The Nomination and Remuneration Committee must comprise:
  - i) at least three Cromwell Directors; and
  - ii) a majority of independent Cromwell Directors.
- c) The Chair of the Nomination and Remuneration Committee must be an independent Cromwell Director and may not be the Chair of the Cromwell Board.

## 9. Chair of the Board

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- a) The Chair of the Board:
  - i) is appointed by the directors; and
  - ii) will not be the same person as the Chief Executive Officer.
- b) The division of the responsibilities of the Chair of the Board and the Chief Executive Officer and various other employees have been agreed by the Board and set out in a Board-approved Delegation of Authority Policy.
- c) The responsibilities of the Chair of the Board include:
  - i) providing leadership to the Board and the Company;
  - ii) promoting the efficient organisation and conduct of the Board's functions;
  - iii) monitoring the performance of the Board;
  - iv) facilitating Board discussions to ensure core issues facing the Company are addressed;
  - v) briefing all directors in relation to issues arising at Board meetings;
  - vi) facilitating the effective contribution and ongoing development of all directors;
  - vii) promoting constructive and respectful relations between Board members and between the Board and management; and
  - viii) chairing general meetings.
- d) The Cromwell Directors may elect a Cromwell Director as Deputy Chair of the Board to act as Chair of the Board in the Chair of the Board's absence.
- e) In accordance with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (4<sup>th</sup> edition)*, if the Chair of the Board is not an independent Cromwell Director, then the Cromwell Directors will elect an independent Cromwell Director as Deputy Chair of the Board or as the 'senior independent director'. The Deputy Chair of the Board or senior independent director will act as Chair of the Board if the Chair faces a conflict of interest.

## 10. Directors

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- a) Directors are expected to attend and participate in Board meetings and meetings of Board Committees on which they serve.

- b) Directors are expected to spend the time needed, and meet as often as necessary, to properly discharge their responsibilities.
- c) Directors are expected to review meeting materials before Board meetings and Board Committee meetings.
- d) Directors are encouraged to ask questions of, request information from, and raise any issue of concern with, management. Directors are encouraged, where possible, to ask any questions and raise issues of concern before a meeting so that management is prepared to address the questions.
- e) Directors must exercise independent judgement when making decisions.
- f) Publicly, directors are expected to support the letter and spirit of Board decisions.
- g) Directors must keep as strictly confidential all Board information, discussions, deliberations and decisions that are not publicly known.
- h) Directors are expected to comply with their legal duties when discharging their responsibilities as directors. Broadly, these duties are:
  - i) to act with care and diligence;
  - ii) to act in good faith in the best interests of the Company and for a proper purpose, including to avoid conflicts of interest;
  - iii) to not improperly use their position to gain an advantage for themselves or someone else or to the detriment to the Company; and
  - iv) to not improperly use the information they gain in the course of their director duties to gain an advantage for themselves or someone else or to the detriment to the Company.

## 11. Conflicts

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- a) Directors are expected to be sensitive to conflicts of interest or duty that may arise and mindful of their fiduciary obligations.
- b) Directors must:
  - i) disclose to the Board any actual, potential or apparent/perceived conflict of interest or duty that might reasonably be thought to exist as soon as the situation arises;
  - ii) take necessary and reasonable action to resolve or avoid any actual, potential or apparent/perceived conflict of interest or duty; and
  - iii) comply with the *Corporations Act 2001* (Cth) and the Company's constitution in relation to disclosing material personal interests and restrictions on voting.
- c) If a conflict exists, it is expected that any director to whom the conflict relates will leave the meeting before the Board discusses any matter to which the conflict relates.
- d) Directors are expected to inform the Chair of the Board of any proposed appointment to the board or executive of another company as soon as practicable.

## 12. Access to information and independent advice by directors

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- a) Directors have access to any information they consider necessary to fulfil their responsibilities and to exercise independent judgement when making decisions.
- b) Directors have access to:
  - i) management to seek explanations and information; and
  - ii) auditors to seek explanations and information from them without management being present.
- c) Directors may seek any independent professional advice they consider necessary to fulfil their responsibilities and to exercise independent judgement when making decisions.
- d) If the Chair of the Board consents, the Company will pay a director's costs of seeking independent professional advice. That consent may not be unreasonably withheld or delayed.

## 13. Retirement of directors

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- a) Directors are to retire in accordance with clause 65 of the Company's constitution and the ASX Listing Rules.

## 14. Re-election of directors

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- a) Re-election of any retiring director is not automatic. The Nomination and Remuneration Committee is responsible for recommending to the Board whether or not to approve that a resolution that a retiring director be re-elected be put to the annual general meeting.
- b) For any retiring director seeking re-election, the Committee will:
  - i) undertake appropriate checks into the retiring director's criminal record and bankruptcy history;
  - ii) consider their character, experience and education;
  - iii) consider the skills they bring to the Board, taking into account the Board Skills Matrix;
  - iv) obtain and consider details of any other material directorships they hold and an indication from the retiring director of the time involved. The retiring director should specifically acknowledge that they will have sufficient time to fulfil their responsibilities to Cromwell Property Group; and
  - v) consider whether the retiring director is independent according to the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (4<sup>th</sup> edition)*.

## 15. Code of Conduct

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- a) Cromwell Property Group is a 'values led' organisation.



- b) As well as ensuring the legal and equitable duties owed by Directors, officers and employees are met, the purpose of Cromwell's Code of Conduct is to:
  - i) articulate the high standards of honesty, integrity and ethical and law-abiding behaviour expected of Directors, officers and employees;
  - ii) encourage the observance of those standards to protect and promote the interests of Cromwell securityholders and other stakeholders (including customers, suppliers and creditors);
  - iii) set the expectation that all Directors, officers and employees will act in accordance with Cromwell's stated values and in the best interests of Cromwell;
  - iv) guide Directors, officers and employees as to the practices thought necessary to maintain confidence in Cromwell Property Group's integrity; and
  - v) set out the responsibility and accountability of Directors, officers and employees to report and investigate any reported violations of Cromwell's Code of Conduct or unethical or unlawful behaviour.
- c) The Code of Conduct is communicated and available to all directors, officers and employees of Cromwell Property Group and is available on Cromwell's website.
- d) The Board reviews the Code of Conduct annually.

## **16. Communication of information**

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- a) The Board will ensure that, as outlined in the Investor Relations Policy:
  - i) Cromwell has effective two-way communication with all Cromwell securityholders (institutional and retail) and other financial market participants;
  - ii) Cromwell gives all Cromwell securityholders and other financial market participants easy and timely access to balanced and understandable information about Cromwell's business, governance, financial performance and prospects; and
  - iii) Cromwell securityholders can easily participate in general meetings and are encouraged to do so.

## **17. Review of Board performance**

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- a) The performance of the Board, the directors and senior executives will be reviewed annually.

## **18. Approved, adopted and reviewed**

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- a) This Charter was approved and adopted by the Board on 30 January 2008.
- b) The Board reviews this Charter annually.
- c) The Board last reviewed this Charter in September 2021.