



**CROMWELL**  
PROPERTY GROUP

# Compliance Committee Charter

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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

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# Compliance Committee Charter

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## 1. Definitions

In this document, the following words and expressions have the following meanings:

ASIC	means the Australian Securities and Investments Commission
AUSTRAC	means the Australian Transaction Reports and Analysis Centre
Compliance Committee	means the Compliance Committee established by the Responsible Entity in respect of each and all of the Schemes
Compliance Plan	means the compliance plan (as amended from time to time) for each Scheme, lodged with ASIC by the Responsible Entity
Constitution	means the Constitution (as amended from time to time) for each Scheme lodged with ASIC by the Responsible Entity
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) (as amended from time to time)
Papers	includes all written documents issued by the Responsible Entity to a Compliance Committee member including Compliance Committee papers, submissions, minutes, letters, memoranda, sub-committee papers and copies of all other documents made available to a Compliance Committee member or referred to in any of the above documents during the period of appointment of a Compliance Committee member
Responsible Entity or RE	means Cromwell Property Securities Limited, Cromwell Funds Management Limited and any other entity in the Cromwell group that is the responsible entity, or if applicable the trustee, of a Cromwell fund
Scheme	means each and all of the following registered managed investment schemes (as amended): Cromwell Diversified Property Trust; Cromwell Direct Property Fund; Cromwell Property Trust 12; Cromwell Ipswich City Heart Trust; Cromwell Riverpark Trust;

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	<p>Cromwell Phoenix Global Opportunities Fund; Cromwell Phoenix Opportunities Fund, Cromwell Phoenix Property Securities Fund and each other Scheme of which the RE is the responsible entity and in relation to which the Compliance Committee members have consented to act as members of its Compliance Committee</p>
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## 2. Background

- a) The responsibility for compliance rests with the board of directors of the RE. If the board of directors does not have sufficient external directors, a Compliance Committee, having a majority of external members must be appointed. However, the board of directors may also choose to have a Compliance Committee in relation to the Schemes even if it is not required under the Corporations Act.
- b) The Compliance Committee's objective is to ensure that the compliance function is performed effectively and efficiently.
- c) The compliance arrangements of the RE are the combination of procedures, structures and systems designed to ensure compliance by the RE with:
  - i) the Corporations Act, in relation to the Scheme/s;
  - ii) the Constitution/s; and
  - iii) the Compliance Plan/s.

## 3. Purpose of Compliance Committee Charter

- a) The following charter sets out the detailed procedural and operational framework for the establishment and operation of the Compliance Committee and is to be adopted by the members of the Compliance Committee and approved by the board of directors of the RE.

## 4. Functions of Compliance Committee (Section 601JC(1))

The functions of the Compliance Committee are to:

- a) Monitor the extent to which the RE complies with the Compliance Plan/s and report its findings to the directors of the RE at such times as it considers necessary or desirable or the directors of the RE require;
- b) Report to the RE any actual or suspected breach of the Corporations Act in relation to a Scheme, a provision of a Constitution or a procedure in a Compliance Plan after it becomes aware of the breach;
- c) Report to ASIC if the Compliance Committee is of the opinion that the RE has not taken or does not propose to take appropriate action to deal with a matter reported above;

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- d) Assess at regular intervals (determined by the Compliance Committee) whether the Compliance Plan is adequate;
  - e) Make recommendations to the directors of the RE about necessary or desirable amendments to the Compliance Plan; and
  - f) Do such other things the Corporations Act or regulators such as ASIC and AUSTRAC require.

In addition to the functions set out above, the Compliance Committee will also carry out such other duties as may be delegated to it by the board or a committee of the board from time to time.

## 5. Membership of Compliance Committee (Section 601JB)

- a) There must be at least three Compliance Committee members at all times and the majority of them must be external members.
- b) The Responsible Entity is responsible for appointing the members of the Compliance Committee and ensuring there is an appropriate range of skills, experience and expertise.
- c) Each person appointed to the Compliance Committee must consent in writing to their appointment.
- d) The Responsible Entity may terminate a Compliance Committee member's appointment on one month's written notice or such shorter period of notice as the member allows.
- e) A Compliance Committee member may retire by giving one month's written notice to the Responsible Entity or such shorter time as the Responsible Entity allows.
- f) A member of the Compliance Committee is an external member if they:
  - i) are not, and have not been in the previous two years, a non-external director, a senior manager or an employee of the RE or a related body corporate; and
  - ii) are not, and have not been in the previous two years, substantially involved in business dealings, or in a professional capacity, with the RE or a related body corporate; and
  - iii) are not a member of a partnership that is, or has been in the previous two years, substantially involved in business dealings, or in a professional capacity, with the RE or a related body corporate; and
  - iv) do not have a material interest in the RE or a related body corporate; and
  - v) are not a relative or de facto spouse of a person who has a material interest in the RE or a related body corporate.
- g) For the purposes of paragraph 5(f)(i), a person who is a director of a related body corporate, but not of the RE itself, is an external director of the related body corporate if they would have been an external director of the RE under subsection 601JA(2) had they been a director of the RE.
- h) A person who is, or has been, either:
  - i) an external director of the RE; or
  - ii) a member of a Compliance Committee for the Scheme or another registered managed investment scheme operated by the RE,

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is not, merely because of that directorship or membership, taken to be, or to have been, substantially involved in business dealings, or in a professional capacity, with the RE.

- i) A Compliance Committee member may nominate a person to be their alternate member. If the Compliance Committee member is an external member, the alternate must qualify as an external member. Any alternate Compliance Committee member must be a person acceptable to the Responsible Entity, and the terms of nomination for such alternate Compliance Committee member must be acceptable to the Responsible Entity.
- j) If the membership of the Compliance Committee ceases to satisfy paragraph 5(a) and the RE is required to have a Compliance Committee under the Corporations Act, the RE must make appointments to the Committee to satisfy that paragraph within 14 days or within any longer period that ASIC has agreed to in writing.

## 6. Proceedings

- a) Except as specifically addressed in this Charter or the Compliance Plan for a Scheme, the Compliance Committee can determine its own procedures and regulate its proceedings as it thinks appropriate.
- b) The RE undertakes to provide all assistance to the Compliance Committee including to permit meetings to be held on its premises and for records and material of the Compliance Committee to be kept in a safe place.
- c) The Compliance Committee must keep minutes of the meetings and records of its reports and recommendations (Section 601JH(2)). Other certificates as required from time to time by the Chair of the Compliance Committee must also be kept.
- d) The Compliance Committee must meet as frequently as is required but not less than quarterly.
- e) A meeting may be held using any technology agreed to by all the members (Section 601JH(3)). A member who is not physically present but participating by technological means is taken to be present.
- f) Any Compliance Committee member may convene a meeting of the Compliance Committee on five business days' notice or such shorter time as the other Compliance Committee members agree.
- g) If a Compliance Committee member does not receive notice of the meeting (including if the notice was accidentally omitted to be given to them) the meeting is not invalidated.
- h) The Chair may adjourn a meeting of the Compliance Committee for any reason to a time and place as the Chair thinks fit.
- i) The RE will be responsible for ensuring that minutes of Compliance Committee meetings are kept and records of the Compliance Committee's reports and recommendations are retained.
- j) The RE will be responsible for ensuring the circulation of the agenda and papers in a reasonable period in advance of each meeting.
- k) A copy of any such minutes, reports or recommendations signed by the Chair will be taken as a true record unless the contrary is proved.

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- l) The Chair may rely on certification from the RE's Company Secretary that the Compliance Committee's report to the board of the RE is provided to the board of directors of the RE.
  - m) The minutes and records must be available to the Compliance Committee members, the board of directors of the RE, the Scheme financial auditor and the Scheme Compliance Plan auditor.
  - n) Any member of the RE's board of directors, the Scheme financial auditor or the Scheme Compliance Plan auditor, and any invitee of any member of the RE's board of directors or any Compliance Committee member, may attend and speak at a Compliance Committee meeting.

## 7. Chair

- a) The Chair of the Compliance Committee must be an external member.
- b) The Responsible Entity may appoint a Chair for a meeting or for a period and may terminate that appointment at any time.
- c) If no Chair is appointed or present at a meeting, the Compliance Committee members present may elect a Chair for the meeting.
- d) The Chair is responsible for chairing the meetings and signing the minutes.

## 8. Quorum

- a) The quorum for a meeting of the Compliance Committee is a majority of members.
- b) If a quorum does not have a majority of external members, the meeting will be deferred until the majority of external members are available to attend.
- c) If a quorum is not present with 15 minutes after the time set for the meeting, the meeting is adjourned to a time decided by the members present.

## 9. Voting

- a) Voting at a meeting of the Compliance Committee is by simple majority.
- b) No objection may be made to any vote cast unless the objection is made at the meeting.
- c) In the event of a tied vote, the Chair has the casting vote.

## 10. Access to information and resources

- a) The Responsible Entity must ensure that the Compliance Committee has access to the following, for the purpose of carrying out the functions of the Compliance Committee:
  - i) information that is relevant to the Responsible Entity's compliance with the Corporations Act or the Constitution, including access to the staff of the Responsible Entity;
  - ii) the Scheme's accounting records;
  - iii) the Scheme's product disclosure statement/s;

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- iv) the Compliance Plan auditor/s; and
  - v) the auditor of the Scheme's financial statements (ie, the financial auditor).

## 11. Access to Papers

- a) Subject to 11(b) and 11(e), during the period commencing on the date of appointment and ending seven years after cessation of any such appointment of a Compliance Committee member, the RE will grant each Compliance Committee member, and their legal advisers, reasonable access to all Papers at no charge to the Compliance Committee member.
- b) During the period of appointment of each Compliance Committee member, each member will have reasonable access to all Papers for the purpose of discharging their duties as a member or for the purpose of defending proceedings in which it is alleged that the member has breached any such duty but for no other purpose. Following cessation of the term of appointment of a Compliance Committee member, that former member will have reasonable access to Papers for the purpose of defending any proceedings in which it is alleged that the former member has breached their duty as a member of the Compliance Committee, and for no other purpose.
- c) Subject to the following sub-paragraph, if Papers contain any advice to which legal professional privilege may attach, a member/former member is only entitled to have access to those Papers on the condition that the member/former member does not, by their own actions or the actions of his servants or agent, intentionally waive that privilege.
- d) If the Papers to which a member/former member has access contain any advice to which legal professional privilege may attach, the member/former member is entitled, to the extent that it may be considered reasonably necessary by the member/former member or their legal advisers, to waive that privilege if that member/former member is a party to proceedings in their capacity as a member, or former member, for the Compliance Committee.
- e) The Papers supplied to a Compliance Committee member shall be the property of that member, subject to any express statement to the contrary by the RE at the time of delivery of those Papers to that member.

## 12. Independent advice (Section 601JC(2))

- a) In carrying out its functions, the Compliance Committee may seek independent legal, accounting or other professional advice or assistance, at the reasonable expense of the RE.
- b) The Compliance Committee is to notify the board of directors of the RE in the event it seeks independent legal, accounting or other professional advice or assistance.

## 13. Duties of members (Section 601JD(1) and (2))

- a) The Compliance Committee members must:
  - i) act honestly;

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- ii) exercise the degree of care and diligence that a reasonable person would exercise if they were in the member's position;
  - iii) not make use of information acquired through being a Compliance Committee member to gain an improper advantage for the member or another person or to cause detriment to the members of the Scheme; and
  - iv) not make improper use of their position as a Compliance Committee member to gain an advantage for the member or for any other person or cause detriment to the members of the Scheme.
- b) The Compliance Committee members must take all reasonable steps to assist ASIC in carrying out a surveillance check under subsection 601FF(1).

#### **14. Disclosure of interests (Section 601JJ)**

- a) Compliance Committee members must disclose any and all interests (including financial) which may give rise to a conflict of interest (whether actual, potential or apparent/perceived).
- b) A disclosure under paragraph 14(a) must occur at the first meeting of the Compliance Committee after the relevant facts have come to the member's knowledge and must be recorded in the minutes of the meeting.

#### **15. Review and changes to this Charter**

- a) The Committee will review this Charter annually or as often as it considers necessary and make recommendations to the board of the RE for any changes.
- b) The board of the RE may change this Charter at any time by resolution.

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

- a) This Charter was adopted by the Compliance Committee in April 2009 and approved by the Board of Cromwell Property Securities Limited (CPS) in May 2009 and the Board of Cromwell Funds Management Limited (CFM) in September 2010 and the Board of Cromwell Corporation Limited (CCL) in April 2021.
- b) The Compliance Committee reviewed the Charter in March 2021. The CCL and CPS Boards approved amendments to the Charter in April 2021 and the CFM Board approved amendments to the Charter in October 2021.