



CROMWELL
PROPERTY GROUP

CORPORATE GOVERNANCE STATEMENT 2021

THIS DOCUMENT IS ISSUED BY

Cromwell Property Group

consisting of

Cromwell Corporation Limited ABN 44 001 056 980

and

Cromwell Diversified Property Trust

ARSN 102 982 598 ABN 30 074 537 051

(the responsible entity of which is

Cromwell Property Securities Limited

AFSL 238052 ABN 11 079 147 809)

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The Board is committed to Cromwell Property Group meeting securityholders' and stakeholders' expectations of good corporate governance. The Board is proactive with respect to corporate governance and actively reviews developments to determine which corporate governance arrangements are appropriate for Cromwell Property Group and its securityholders and stakeholders.

This Corporate Governance Statement (Statement) reports on how Cromwell Property Group (or Cromwell or Group) complied with the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (the Recommendations) during the 2021 financial year.

This Statement is current as at 25 August 2021 and has been approved by the Board.

Cromwell Property Group comprises Cromwell Corporation Limited (or the Company) and the Cromwell Diversified Property Trust (or the CDPT), the Responsible Entity of which is Cromwell Property Securities Limited (or CPS).

Principle 1: Lay solid foundations for management and oversight

RECOMMENDATION 1.1

The Board of Directors of Cromwell Corporation Limited is identical to the Board of Directors of Cromwell Property Securities Limited (together, the Board; severally, the Directors). The Board's responsibilities include to provide leadership to Cromwell Property Group and to set its strategic objectives. The Board has adopted a formal, written Board Charter, which sets out the Board's role and responsibilities, including to:

- oversee the process for ensuring timely and balanced disclosure of all 'price sensitive' information in accordance with the *Corporations Act 2001* (Cth) (Corporations Act) and the ASX Listing Rules; and
- satisfy itself that an appropriate risk management framework that covers both financial and non-financial risks is in place, and to set the risk appetite within which the Board expects management to operate.

The Board generally holds a scheduled meeting every calendar month and additional meetings are convened as required. The Directors' Report discloses the names of the Directors, the number of times that the Board met during the 2021 financial year and the attendances of individual Directors at those meetings. For easy reference, the information (including percentages of total) is shown below:

Director	Meetings attended (% of meetings eligible to attend)	Meetings eligible to attend (100%)
Dr Gary Weiss AM (Chair) (elected 18 September 2020 and elected as Chair 17 March 2021)	17 (94.5%) ⁽¹⁾	18 (100%)
Mr Eng Peng Ooi (Deputy Chair) (appointed 8 March 2021 and elected as Deputy Chair 17 March 2021)	7 (100%)	7 (100%)
Mr Robert Blain (appointed 8 March 2021)	6 (85.7%)	7 (100%)
Ms Tanya Cox	25 (100%)	25 (100%)
Mr Joseph Gersh AM (elected 18 September 2020)	17 (94.5%) ⁽²⁾	18 (100%)
Ms Lisa Scenna	25 (100%)	25 (100%)
Mr Leon Blitz (Chair) (retired from the Board and as Chair 18 November 2020)	10 (100%)	10 (100%)
Mr Andrew Fay (Deputy Chair) (retired from the Board and as Deputy Chair 18 November 2020)	10 (100%)	10 (100%)
Mr John Humphrey (appointed 8 September 2020 and retired from the Board 18 November 2020)	5 (100%)	5 (100%)
Mr Paul Weightman (retired from the Board 31 December 2020)	14 (87.5%) ⁽³⁾	16 (100%)
Ms Jane Tongs (Chair) (retired from the Board and as Chair 17 March 2021)	20 (100%)	20 (100%)

(1) Dr Weiss AM gave notice to the other Directors of a material personal interest and recused himself from receiving the materials and from attending the meeting on 14 October 2020.

(2) Mr Gersh AM gave notice to the other Directors of a material personal interest and recused himself from receiving the materials and from attending the meeting on 14 October 2020.

(3) Mr Weightman gave notice to the other Directors of a material personal interest and recused himself from receiving the materials and from attending the meeting on 7 December 2020 and on 17 December 2020.

On 9 July 2021, Ms Jialei Tang was appointed as a Non-executive Director.

Management prepares Board papers to inform and focus the Board's attention on key issues. Standing items include progress against strategic objectives, financial performance, corporate governance and sustainability (including compliance with material legal and regulatory requirements and any conduct that is materially inconsistent with Cromwell Property Group's values and Code of Conduct).

The Board has the following long-established Board Committees to assist it in carrying out its responsibilities, to share detailed work and to consider certain issues and functions in detail:

- Audit and Risk Committee;
- Investment Committee; and
- Nomination and Remuneration Committee.

Details of the role, responsibilities and composition of the Board Committees are contained elsewhere in this Statement. The Directors' Report discloses (for each Board Committee) the members of the Board Committee, the number of times that the Board Committee met during the 2021 financial year and the individual attendances of the members at those meetings. For easy reference, the information (including percentages of total) is shown below:

Audit and Risk Committee

Director	Meetings attended (% of meetings eligible to attend)	Meetings eligible to attend (100%)
Mr Eng Peng Ooi (Committee Chair) (appointed to Committee and as Committee Chair 28 April 2021)	1 (100%)	1 (100%)
Ms Tanya Cox	8 (100%)	8 (100%)
Mr Joseph Gersh AM (appointed to Committee 28 April 2021)	1 (100%)	1 (100%)
Ms Lisa Scenna (appointed as Committee Chair 18 November 2020 and retired as Committee Chair 28 April 2021)	8 (100%)	8 (100%)
Dr Gary Weiss AM (appointed to Committee 18 November 2020)	4 (100%)	4 (100%)
Mr Andrew Fay (retired from Committee 18 November 2020)	4 (100%)	4 (100%)
Ms Jane Tongs (retired as Committee Chair and from Committee 18 November 2020)	4 (100%)	4 (100%)

Investment Committee

Director	Meetings attended (% of meetings eligible to attend)	Meetings eligible to attend (100%)
Mr Robert Blain (Committee Chair) (appointed to Committee and as Committee Chair 28 April 2021)	1 (100%)	1 (100%)
Mr Joseph Gersh AM (appointed to Committee 18 November 2020)	3 (100%)	3 (100%)
Mr Eng Peng Ooi (appointed to Committee 28 April 2021)	1 (100%)	1 (100%)
Ms Lisa Scenna (retired as Committee Chair 28 April 2021)	3 (100%)	3 (100%)
Dr Gary Weiss AM (appointed to Committee 18 November 2020)	3 (100%)	3 (100%)
Mr Leon Blitz (retired from Committee 18 November 2020)	0 (100%)	0 (100%)
Mr Andrew Fay (retired from Committee 18 November 2020)	0 (100%)	0 (100%)
Mr Paul Weightman (retired from Committee 31 December 2020)	1 (100%)	1 (100%)

Nomination and Remuneration Committee

Director	Meetings attended [% of meetings eligible to attend]	Meetings eligible to attend (100%)
Ms Tanya Cox (Committee Chair)	8 (100%)	8 (100%)
Mr Robert Blain (appointed to Committee 28 April 2021)	1 (100%)	1 (100%)
Mr Joseph Gersh AM (appointed to Committee 18 November 2020)	2 (100%)	2 (100%)
Ms Lisa Scenna (appointed to Committee 18 November 2020)	2 (100%)	2 (100%)
Mr Leon Blitz (retired from Committee 8 September 2020)	3 (100%)	3 (100%)
Mr Andrew Fay (retired from Committee 18 November 2020)	6 (100%)	6 (100%)
Mr John Humphrey (appointed to Committee 8 September 2020 and retired from Committee 18 November 2020)	3 (100%)	3 (100%)
Dr Gary Weiss AM (appointed to Committee 18 November 2020 and retired from Committee 28 April 2021)	1 (100%)	1 (100%)

Day to day management of Cromwell Property Group's affairs and implementation of agreed strategic objectives are delegated by the Board to management under the direction of the Chief Executive Officer (CEO). This has been formalised in the Board Charter and the Board-approved Delegation of Authority Policy. The Board reviews these documents at least annually to ensure their effectiveness and appropriateness (given the evolving needs of Cromwell Property Group).

What you can find on the Corporate Governance page on our website:

-  Board Charter
-  Audit and Risk Committee Charter
-  Nomination and Remuneration Committee Charter
-  Delegation of Authority Policy
-  Constitution of Cromwell Corporation Limited
-  Constitution of the Cromwell Diversified Property Trust

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 1.2

Cromwell Property Group undertakes appropriate checks before appointing a Director or senior executive, or putting forward to securityholders a candidate for election or re-election as a Director. The checks are into matters such as the person's character, experience, education, criminal record and bankruptcy history. The Board and Nomination and Remuneration Committee also consider whether or not the candidate has sufficient time available, given their other roles and activities, to meet expected time commitments to Cromwell.

When securityholders are asked at Cromwell Property Group's annual general meeting (AGM) to elect, or re-elect, a Director to the Board, Cromwell will provide them with the following information to enable them to make an informed decision:

- biographical information, including relevant qualifications, experience and the skills the candidate brings to the Board;
- details of any other current material directorships;
- a statement as to whether the Board supports the candidate's election or re-election and a summary of the reasons why; and
- (for a candidate standing for election as a Director for the first time) a confirmation that appropriate checks into the candidate's background and experience have been conducted; any material adverse information revealed by background checks; details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect the candidate's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Group as a whole rather than in the interests of an individual securityholder or other party; and a statement from the Board as to the candidate's independence; or
- (for a candidate standing for re-election) the term of office currently served and a statement from the Board as to the candidate's independence.

The information will be provided in the relevant notice of meeting. Securityholders also have the opportunity to ask questions of candidates at the AGM.

In this Statement, AGM means (together) the Annual General Meeting of the Company and the General Meeting of the CDPT.

RECOMMENDATION 1.3

Cromwell Property Group has provided each Non-executive Director with a written letter of appointment which details the terms of their appointment, including:


- the requirement to disclose interests and any matters which could affect the Director's independence;
- remuneration and expected time commitments;
- the requirement to comply with key corporate policies, including Cromwell Property Group's Code of Conduct and Securities Trading Policy;
- the requirement to seek the Chair's consent before accepting any new role that could impact on the time commitment expected of the Director, and to notify the Board about anything that may lead to an actual or potential conflict of interest or duty;
- Cromwell Property Group's policy on when Directors may seek independent professional advice at the expense of the entity;
- indemnity and insurance arrangements and ongoing rights of access to corporate information; and
- ongoing confidentiality obligations.


The CEO has a written formal job description, an employment contract (outlining the terms of appointment as a senior executive) and, when also appointed as an Executive Director, a letter of appointment for the role as Executive Director.

Other senior executives have written employment contracts that outline the terms of their appointment.

Cromwell Property Group has a Board-approved Securities Trading Policy under which Directors, senior executives and employees are restricted in their ability to deal in Cromwell Property Group securities. Appropriate closed periods are in place during which Directors, senior executives and employees are not permitted to trade. Directors, senior executives and employees are made aware of the policy and receive training annually. The policy is reviewed at least annually.

What you can find on the Corporate Governance page on our website:

 Code of Conduct

 Securities Trading Policy

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 1.4

The Company Secretary is accountable to the Board (through the Chair) on all matters to do with the proper functioning of the Board.

The Company Secretary's responsibilities include:

- advising the Board and Board Committees on governance matters;
- monitoring that Board and Board Committee policies and procedures are followed;
- guiding the continuous improvement, and coordinating the timely completion and despatch, of the Board and Board Committee papers;
- ensuring that the business at the Board and Board Committee meetings is accurately captured in minutes; and
- helping to organise and facilitate the induction and professional development of Directors.

Directors can, and do, communicate directly and regularly with the Company Secretary on Board matters. Similarly, the Company Secretary communicates directly and regularly with the Directors on such matters.

The Board Charter states that the Board is responsible for appointing and removing the Company Secretary.

What you can find on the Corporate Governance page on our website:

 Board Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 1.5

Cromwell Property Group recognises the many benefits of diversity and strives, through its recruitment and selection practices, to ensure that a diverse range of candidates is considered and that conscious and unconscious biases that might discriminate against candidates are avoided.

Cromwell Property Group has a Board-approved Diversity Policy which sets out the framework the Group has in place to achieve appropriate diversity in its Board, senior executive and broader workforce. Pursuant to the Diversity Policy, each financial year the Board (on recommendation from the Nomination and Remuneration Committee) sets measurable objectives for achieving diversity. An annual assessment of progress against those objectives is also undertaken.

The table below shows the gender diversity objectives set for the 2021 financial year and the Group's performance against those objectives as at 30 June 2021.

Number	FY21 gender diversity objective	The Group's performance as at 30 June 2021
1	Develop and execute Cromwell's FY21 Diversity and Inclusion (D&I) action plan	Initiatives in support of the objective are largely completed with one in progress
2	Foster a culture of respect and inclusion	All key results in support of this initiative have been achieved with one initiative still in progress
3	Create a culture that is supportive of employees achieving their work and career goals	All initiatives in support of the objective have been completed and all but one key result have been achieved. Cromwell has implemented Agile Working
4	Value and foster diversity in our workforce	All key results in support of this objective have been achieved and all initiatives have been completed
5	Ensure diversity of Cromwell's Board (ie, the Cromwell Board will have at least 30% of each gender representation on the Board)	The Board was made up of 33.33% females as at 30 June 2021

As at the date shown, the respective proportions of males and females on the Board, in senior executive positions and across the employee workforce were as follows:

Date	Body	Females (% of total)	Males (% of total)	Total (100%)
As at 30 June 2021	Board	2 (33%)	4 (67%)	6 (100%)
As at 30 June 2021	Senior executive ⁽¹⁾	0 (0%)	3 (100%)	3 (100%)
As at 30 June 2021	Employees ⁽²⁾	76 (51%)	73 (49%)	149 (100%)


(1) Recommendation 1.5(c)(3)(A) requires the Group to define what it means by 'senior executive'. In this case, 'senior executive' means the key management personnel (KMP) other than Non-executive Directors. As at 30 June 2021, the 'senior executive' comprised the Acting Chief Executive Officer, the Chief Investment Officer and the Acting Chief Financial Officer. Please refer to the FY21 Remuneration Report for further information about KMP.


(2) Excludes European business, Singapore business, Phoenix Portfolios, Oyster Property Group and LDK Healthcare.


Cromwell Property Group is a 'relevant employer' under the *Workplace Gender Equality Act 2012* (Cth) (WGEA). Cromwell's latest WGEA reporting is available on the Corporate Governance page on the Group's website.

What you can find on the Corporate Governance page on our website:

 Diversity Policy

 Nomination and Remuneration Committee Charter

 Gender Diversity Objectives (current financial year and previous financial years)

 WGEA reporting

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

In line with footnote 31 of the Recommendations, the webpage on the WGEA website where its latest Gender Equality Indicators are available is:

www.wgea.gov.au/what-we-do/compliance-reporting/wgea-procurement-principles

What you can find on the Sustainability page on our website:

 Sustainability Report (current report and previous reports)


www.cromwellpropertygroup.com/sustainability

Cromwell Property Group recognises that Inclusion links very closely with its corporate values and purpose. The Group's Diversity and Inclusion principles stem from its values, which, in turn, are embedded in the performance management framework.

Cromwell Property Group's Diversity and Inclusion principles are as follows:



What you can find on the Corporate Governance page on our website:

 Our Values

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 1.6

The Board undertakes an annual formal performance assessment, which includes an evaluation of the performance of the Board, Board Committees and individual Directors and also a self-evaluation. Under the annual formal performance assessment, Directors complete a questionnaire and can make comments or raise any issues they have in relation to the performance. The results are compiled by the Company Secretary and discussed at a subsequent Board meeting. A process to renew the Board was undertaken during the 2021 financial year. Therefore, the formal performance assessment was conducted to the extent applicable for the 2021 financial year and did not raise any governance issues that needed to be addressed. The Board considers periodically using external facilitators to conduct its performance reviews. The Deputy Chair of the Board and senior independent director is responsible for the performance evaluation of the Chair of the Board, after having canvassed the views of the other Directors. Dr Gary Weiss AM was elected Chair of the Board on 17 March 2021 therefore the next performance evaluation of the Chair of the Board will be undertaken for the 2022 financial year.

What you can find on the Corporate Governance page on our website:

 Nomination and Remuneration Committee Charter


www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 1.7

Cromwell Property Group has an established, rigorous process for the performance review of all employees, including senior executives. The performance of senior executives and whether they have met their individual key performance indicators is formally evaluated annually by the CEO, with regular feedback being provided during the performance period. At the time of the reviews, the professional development of the senior executive is also discussed, along with any training which could enhance their performance. Both qualitative and quantitative measures are used in the evaluation. A performance evaluation for each senior executive was completed during the reporting period.

Under its Charter, the Nomination and Remuneration Committee is responsible for facilitating an annual review of the performance of the CEO (an Executive Director). This annual review was completed for the Acting CEO (not an Executive Director) during the 2021 financial year.

What you can find on the Corporate Governance page on our website:

 Nomination and Remuneration Committee Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

Principle 2: Structure the board to add value

RECOMMENDATION 2.1

Nomination and Remuneration Committee

The Board's Nomination and Remuneration Committee has four members, all of whom are independent Directors. The Committee is chaired by an independent Director who is not the Chair of the Board.

The Nomination and Remuneration Committee operates under a Board-approved written Charter. The Charter sets out the Nomination and Remuneration Committee's various responsibilities, including reviewing and making recommendations to the Board in relation to:

- Board succession planning generally;
- induction and continuing professional development programmes for Directors;
- the development and implementation of a process for evaluating the performance of the Board, Board Committees and Directors;
- the process for recruiting new Directors;
- the appointment, or re-election, of Directors to the Board;
- the performance and education of Directors;
- reviewing and recommending remuneration arrangements for the Directors, the CEO and senior executives; and
- ensuring succession plans are in place with regard to the CEO and other senior executives.

The Nomination and Remuneration Committee:

- may seek any information it considers necessary to fulfil its responsibilities;
- has access to management to seek explanations and information;
- may seek professional advice from employees of the Group and independent professional advice and services from appropriate external advisors (independent of management), at Cromwell Property Group's cost; and
- may meet with external advisors without management being present.

The minutes of each Nomination and Remuneration Committee meeting are included in the papers for the next Board meeting after the Committee has approved those minutes. The Chair of the Nomination and Remuneration Committee reports the Committee's findings to the next Board meeting after each meeting of the Committee.

The Directors' Report discloses the members of the Nomination and Remuneration Committee, the number of times that the Committee met during the 2021 financial year and the individual attendances of the members at those meetings. For easy reference, the information (including percentages of total) is shown in this Statement under recommendation 1.1.

What you can find on the Corporate Governance page on our website:



Nomination and Remuneration Committee Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

**RECOMMENDATION 2.2
Board Skills Matrix**

The Board reviews, on a regular basis, the mix of skills, experience, independence, knowledge and diversity represented by Directors on the Board and determines whether the composition and mix remain appropriate for Cromwell's purpose and strategic objectives and whether they cover the skills needed to address existing and emerging business and governance issues relevant to Cromwell Property Group.

The Board has adopted a Board Skills Matrix, which sets out the collective skills and attributes of the Board.

Skills and experience

Leadership and Culture	<ul style="list-style-type: none"> • Non-executive Director and Board Committee experience in a publicly listed company in Australia or overseas • Experience at an executive level in business including the ability to assess the performance of the CEO and senior management • Understanding, implementing and monitoring good organisational culture
Property and Asset Management	<ul style="list-style-type: none"> • Experience in, and appropriate knowledge of, the Australian and European commercial property market in one or more of the following areas: acquisitions and disposals; asset management; property management; leasing; facilities management; and development • Experience in, and knowledge of, other property markets in other relevant jurisdictions (ie, international) and other property market sectors
Funds / Investment Management	<ul style="list-style-type: none"> • Significant experience in, and knowledge of, wholesale and retail funds management, in Australia and globally
Commercial Capability	<ul style="list-style-type: none"> • Deep experience at a Board or executive level with a listed company(ies) in the ASX300 or international equivalent, with an understanding of capital raising, takeovers, continuous disclosure and corporate governance • Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies to meet Cromwell Property Group's identified objectives
Financial Acumen	<ul style="list-style-type: none"> • Ability to understand key financial statements; critically assess financial viability and performance; contribute to financial planning; monitor operating and capital expenditure budgets; and monitor debt levels and funding arrangements; and/or • Experience as a partner in a top tier accounting firm, or as a CFO in a listed company in the ASX300 or international equivalent, with a deep understanding of the accounting standards applicable to Cromwell Property Group's financial reports and Cromwell Property Group's financial accountability process
Risk Oversight	<ul style="list-style-type: none"> • Ability to identify or recognise key risks to Cromwell Property Group across its various operations and monitor risk management frameworks

Debt Management	<ul style="list-style-type: none"> • Experience in the banking industry or in a corporate treasury department giving an understanding of the debt market in Australia, Europe or elsewhere
People	<ul style="list-style-type: none"> • Experience in managing human capital, remuneration and reward, industrial relations, workplace health and safety and strategic workforce planning
Public Policy, Government, Economics	<ul style="list-style-type: none"> • Experience with either federal or state (or equivalent) government ministers or departments giving a knowledge of agendas, policies or processes • Understanding of key macro and micro economic indicators and market cycles and their impact on Cromwell Property Group and the environment in which it operates
Sustainability	<ul style="list-style-type: none"> • Demonstrate an understanding of health and safety practices • Understanding of risks and opportunities regarding climate change • Former or current role with direct accountability for environment practices including energy, water management, emissions and land management

The above table outlines detailed descriptions of the experience and skills represented by the current composition of the Board, and considered by the Board as desirable. The Board regularly reviews and updates its Board Skills Matrix to reflect the strategy and direction of Cromwell Property Group.

The Board considers that its current members have an appropriate mix of skills, personal attributes and experience that allows the Directors individually, and the Board collectively, to discharge their duties effectively and efficiently. The Board comprises individuals who understand the business of the Group and the environment in which it operates and who can effectively assess management's performance in meeting agreed objectives and goals.

The Directors' Report provides the following information about each Director:

- profile, including qualifications and experience; and
- special responsibilities and attendances at Board and Board Committee meetings. For easy reference, attendances at meetings are reproduced in this Statement.

The Nomination and Remuneration Committee refers to the Board Skills Matrix when considering Board succession planning and professional development initiatives for the Directors.

What you can find on the Corporate Governance page on our website:



Nomination and Remuneration Committee Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 2.3

The Board

The Group recognises that independent Directors are important in reassuring securityholders that the Board properly fulfils its role. As at 30 June 2021, the Board comprised six Directors, with a Non-executive Chair, an independent Non-executive Deputy Chair and a majority of independent Non-executive Directors:

Director (age)	First appointed	Status
Dr Gary Weiss AM (Chair) (68)	18 September 2020	Non-executive Director/Chair
Mr Eng Peng Ooi (65)	8 March 2021	Independent Non-executive Director/Deputy Chair
Mr Robert Blain (66)	8 March 2021	Independent Non-executive Director
Ms Tanya Cox (60)	21 October 2019	Independent Non-executive Director
Mr Joseph Gersh AM (65)	18 September 2020	Independent Non-executive Director
Ms Lisa Scenna (53)	21 October 2019	Independent Non-executive Director

On 18 November 2020, Mr Leon Blitz (57) retired as independent Non-executive Chair, Mr Andrew Fay (56) retired as independent Non-executive Deputy Chair and Mr John Humphrey (66) retired as an independent Non-executive Director. On 31 December 2020, Mr Paul Weightman (59) retired as Managing Director/CEO (an Executive Director). On 17 March 2021, Ms Jane Tong (61) retired as independent Non-executive Chair.

On 18 September 2020, Mr Joseph Gersh AM joined the Board as a non-independent Non-executive Director. As disclosed in the Group's ASX announcement of 12 February 2021, the Cromwell Board has confirmed its assessment of Mr Gersh AM as 'independent' for the purposes of the Recommendations. In making its assessment, the Cromwell Directors (but not Mr Gersh AM) considered all relevant factors, including those factors set out in the Recommendations as being relevant to assessing the independence of a director, and also Mr Gersh AM's contributions to Cromwell Board discussions and decisions since his election as a Cromwell Director on 18 September 2020.

On 9 July 2021, Ms Jialei Tang (26) was appointed as a Non-executive Director.

Each year, independence status is assessed using the guidelines and factors set out in the Recommendations and each independent Non-executive Director also confirms to the Board, in writing, their continuing status as an independent Director.

In assessing a Director's independence status, the Board has adopted a materiality threshold of 5% of the Group's net operating income or 5% of the Group's net tangible assets (as appropriate) as disclosed in its last audited financial accounts.

The length of time that each independent Director has served on the Board is shown in the table above.

The Board is comfortable that no Director has served for a period such that their independence may have been compromised. The Board also recognises that the interests of Cromwell Property Group and its securityholders are likely to be well served by having a mix of Directors, some with a longer tenure with a deep understanding of Cromwell and its business and some with a shorter tenure with fresh ideas and perspective.

Cromwell Property Group's independent Non-executive Directors are considered by the Board to meet the test of independence under the Recommendations.

Each independent Non-executive Director has undertaken to inform the Board as soon as practical if they think their status as an independent Director has or may have changed.

What you can find on the Corporate Governance page on our website:



Board Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 2.4

As at 30 June 2021, the Board comprised six Directors, with a Non-executive Chair, an independent Non-executive Deputy Chair and a majority of independent Non-executive Directors. Following Ms Jialei Tang's appointment as a Non-executive Director on 9 July 2021, the Board comprises seven Directors, with a Non-executive Chair, an independent Non-executive Deputy Chair and a majority of independent Non-executive Directors.

The Non-executive Directors confer periodically as a group without senior executives present.

What you can find on the Corporate Governance page on our website:



Board Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 2.5

The Chair of the Board – Dr Gary Weiss AM – is a Non-executive Director and the Deputy Chair of the Board and senior independent director – Mr Eng Peng Ooi – is an independent Non-executive Director. Former Chairs of the Board – Mr Leon Blitz and Ms Jane Tongs – were independent Non-executive Directors.

Until 31 December 2020, Mr Paul Weightman was an Executive Director and the CEO of Cromwell Property Group. From 1 January 2021, Mr Michael Wilde has been the Acting CEO of Cromwell Property Group. From 5 October 2021, Mr Jonathan Callaghan will be the CEO of Cromwell Property Group and is expected to be appointed as an Executive Director shortly thereafter.

This is consistent with the Board Charter, which stipulates that the Chair of the Board will not be the same person as the CEO and, if the Chair of the Board is not an independent Non-executive Director, then the Board will elect an independent Non-executive 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.

The Board Charter sets out the responsibilities of the Chair, including:

- leading the Board and Cromwell Property Group;
- facilitating the effective contribution and ongoing development of all Directors;
- promoting constructive and respectful relations between Board members and between the Board and management; and
- facilitating Board discussions to ensure that core issues facing Cromwell Property Group are addressed.

What you can find on the Corporate Governance page on our website:



Board Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 2.6

An induction programme ensures that new Directors can discharge their responsibilities effectively, participate fully and actively in decision making, and add value, upon their appointment. The programme includes:

- meeting with fellow Directors and the senior executive team and receiving briefings on Cromwell Property Group's strategy, structure, business operations, history, culture and key risks;
- reviewing materials and policies in relation to corporate governance, legal duties and responsibilities and key accounting matters and directors' responsibilities; and
- undertaking Cromwell Property Group property asset and office site visits (during the 2021 financial year, this component of the induction programme has been limited by the implementation of restrictions associated with the COVID-19 pandemic).

Each year, the Nomination and Remuneration Committee assessed whether the Directors, as a group, have the skills, knowledge and experience to deal with new and emerging business and governance issues and recommends to the Board a professional development programme for Directors. This includes training relevant to each skill area of the Board Skills Matrix and on key issues relevant to Cromwell Property Group's operations, financial affairs and governance. The professional development programme is compiled in light of recent or potential developments (internal and external) as well as any skills or knowledge gaps identified by the Nomination and Remuneration Committee. Directors also have access to the inhouse training sessions provided by Cromwell Property Group's Risk and Compliance team and Finance team. On an ongoing basis, Directors are provided with briefings on material changes to accounting standards, laws and regulations relevant to Cromwell Property Group.

During the 2021 financial year, to the extent possible given the implementation of restrictions associated with the COVID-19 pandemic, Directors undertook Cromwell Property Group property asset and office site visits.

What you can find on the Corporate Governance page on our website:



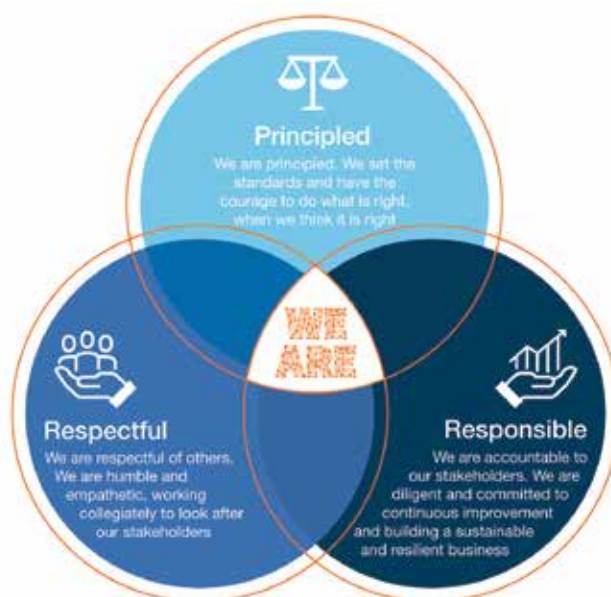
Nomination and Remuneration Committee Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

Principle 3: Act ethically and responsibly

RECOMMENDATION 3.1

Cromwell Property Group is a 'values led' organisation. Its corporate values, as disclosed on the website and in the Board-approved Code of Conduct, are as follows:



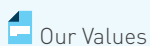
Such values underpin Cromwell Property Group's:

- purpose – to exist to look after people; and
- vision – to be globally recognised as the value driven real estate investor and manager of choice.

Cromwell Property Group's Directors, senior executives and employees are required to act lawfully, ethically and responsibly. This is reinforced by the values and the various practices and policies of the Group.

The Board and the senior executives reinforce Cromwell Property Group's values in their interactions with Cromwell's wider team. Appropriate standards are communicated and reinforced to all employees at induction sessions, regular refresher training and team meetings and in staff communications.

What you can find on the Corporate Governance page on our website:



Our Values

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 3.2

All Directors, senior executives and employees are expected to act with integrity and strive at all times to enhance the reputation and performance of Cromwell Property Group. To reinforce this culture, Cromwell Property Group has a Board-approved Code of Conduct to provide guidance about the attitudes and behaviour necessary to maintain stakeholder confidence in the integrity of Cromwell Property Group and comply with the Group's legal obligations. The Board-approved Code of Conduct is made available to all Directors, senior executives and employees and they are reminded of the importance of the Code of Conduct on a regular basis, including through refresher training. The Code of Conduct is also published on Cromwell Property Group's website.

Compliance with Board-approved policies (including the Code of Conduct) is monitored via monthly checklists completed by key management and proactive testing programmes and by investigation following any report of a breach. Compliance monitoring is undertaken by the Compliance team under the direction of the Head of Risk and Compliance. The Board and the Audit and Risk Committee are notified of any material breaches of the Code of Conduct. The Directors and senior executives take appropriate and proportionate disciplinary action against those who breach the Code of Conduct.

There were no material breaches of the Code of Conduct during financial year 2021.

RECOMMENDATIONS 3.3 AND 3.4

Cromwell Property Group has a Board-approved Whistleblower Protection Policy and a Code of Conduct encompassing anti-bribery and corruption.

These policies actively encourage and support reporting to appropriate management of any actual or potential breaches of the Group's legal obligations and/or of the Code of Conduct and any concerns about any unlawful, unethical or irresponsible behaviour within Cromwell Property Group.

The Audit and Risk Committee is informed of any incidents reported under Cromwell Property Group's Whistleblower Protection Policy and any incidents of bribery or corruption prohibited by the Code of Conduct.

What you can find on the Corporate Governance page on our website:



Whistleblower Protection Policy



Code of Conduct (encompassing anti-bribery and corruption)

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

Principle 4: Safeguard integrity in corporate reporting

RECOMMENDATION 4.1

Audit and Risk Committee

The Board is responsible for the integrity of the Group's corporate reporting. To assist in discharging this function, the Board has a long-established Audit and Risk Committee. The Board's Audit and Risk Committee has five members, all of whom are Non-executive Directors and a majority of whom are independent Directors. The Committee is chaired by an independent Director who is not the Chair of the Board.

The Audit and Risk Committee operates under a Board-approved written Charter, which sets out the Audit and Risk Committee's:

- objectives, including to maintain and improve the quality, credibility and objectivity of the financial accountability process (including financial reporting on a consolidated basis); and
- responsibilities, including reviewing and making recommendations to the Board in relation to:
 - whether Cromwell Property Group's financial statements reflect the understanding of the Audit and Risk Committee members, and otherwise provide a true and fair view, of the financial position and performance of the Group;
 - the appropriateness of any significant estimates or judgments in the financial reports (including those in any consolidated financial statements); and
 - the appointment or removal, and review of effectiveness and independence, of the external auditor.

The minutes of each Audit and Risk Committee meeting are included in the papers for the next Board meeting after the Committee has approved those minutes. The Chair of the Audit and Risk Committee reports the Committee's findings to the next Board meeting after each meeting of the Committee.

The Directors' Report discloses:

- the relevant qualifications and experience of the members of the Audit and Risk Committee; and
- the number of times that the Audit and Risk Committee met during the 2021 financial year and the individual attendances of the members at those meetings. For easy reference, the information (including percentages of total) is shown in this Statement under recommendation 1.1.

The Audit and Risk Committee:

- may seek any information it considers necessary to fulfil its responsibilities;
- has access to management to seek explanations and information;
- has access to auditors to seek explanations and information from them, without management being present;
- may seek professional advice from employees of the Group and independent professional advice from appropriate external advisors, at Cromwell Property Group's cost; and
- may meet with external advisors without management being present.

During the 2021 financial year, the external auditor attended the majority of the meetings of the Audit and Risk Committee and time was made available for the Committee to meet with the external auditor without management being present.

The external auditor has declared its independence to the Board and to the Audit and Risk Committee. The Board is satisfied the standards for auditor independence and associated issues have been met.

What you can find on the Corporate Governance page on our website:

 Audit and Risk Committee Charter

 External Auditor – Selection, Appointment and Rotation

 Auditor Independence Policy

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 4.2

Before it approves the Group financial statements for a financial period, the Board receives from the CEO and CFO a written declaration that, in their opinion, the financial records of the entity have been properly maintained and the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

RECOMMENDATION 4.3

For any periodic corporate report that Cromwell releases to the market that is not audited or reviewed by an external auditor, Cromwell has a robust review, verification and approval process to verify the integrity of those reports. Cromwell undertakes an internal review and verification exercise, with material statements verified by relevant managers and all verification materials retained in corporate records. Review by independent advisors is obtained where appropriate. Cromwell Property Group's Market Disclosure Protocol provides for a sign off protocol for each announcement to ensure that Directors review and (where applicable) approve announcements prior to release; in addition, at least two Disclosure Officers review and approve the announcement and, in accordance with ASX Listing Rule 15.5 (as amended from time to time), authorise the lodgement of the announcement with the ASX.

Cromwell adopts this process to satisfy itself that the relevant report is materially accurate, balanced and provides securityholders with appropriate information to make informed investment decisions.

What you can find on the Corporate Governance page on our website:

 Market Disclosure Protocol

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

Principle 5: Make timely and balanced disclosure

RECOMMENDATIONS 5.1, 5.2 AND 5.3

Cromwell Property Group believes that all stakeholders should be informed in a timely and widely available manner of all material information concerning the Group, including its financial position, performance, ownership and governance. In particular, Cromwell Property Group strives to ensure that any price sensitive material for public announcement is lodged with the ASX before external disclosure elsewhere and posted on the Group's website as soon as reasonably practicable after lodgement with the ASX.

The Group has a Market Disclosure Protocol which includes policies and procedures designed to ensure compliance with the continuous disclosure obligations under the ASX Listing Rules.

The Board receives copies of all market announcements promptly after such announcements have been released. This ensures that the Board has timely visibility of the nature and quality of information disclosed to the market and the frequency of disclosures. Cromwell Property Group's Market Disclosure Protocol provides for a sign off protocol to ensure that Directors review and (where applicable) approve announcements prior to release.

When Cromwell Property Group is giving a presentation, a copy of the presentation materials is released on the ASX Market Announcements Platform ahead of the presentation. Examples of such presentations are those delivered for half year results and full year results and at the AGM and any general meeting. In addition, for the AGM and any general meeting, a copy of the Chair's address and the CEO's address is released on the ASX Market Announcements Platform before the commencement of the meeting.

Cromwell Property Group is committed to providing securityholders with the opportunity to engage and participate in presentations and meetings, while maintaining their health and safety in light of the COVID-19 pandemic.

For the general meeting on 18 September 2020, securityholders were invited to attend in-person at a Brisbane meeting location or a Sydney meeting location or to participate in the meeting 'virtually' through an online platform provided by Cromwell's registry, Link Market Services Limited. Securityholders participating 'virtually' were able to participate in the meeting by hearing the chair of the meeting's address, viewing the presentation slides, asking questions and (if they had not previously lodged a proxy) voting online.

For the AGM on 18 November 2020, securityholders were invited to attend in-person at the Group's Brisbane office or to participate in the meeting 'virtually' through an online platform provided by Cromwell's registry, Link Market Services Limited. Securityholders participating 'virtually' were able to participate in the meeting by hearing the chair of the meeting's address, viewing the presentation slides, asking questions and voting online.

For the general meeting on 12 February 2021, securityholders were invited to participate in the meeting 'virtually' through an online platform provided by Cromwell's registry, Link Market Services Limited. Securityholders participating 'virtually' were able to participate in the meeting by hearing the chair of the meeting's address, viewing the presentation slides, asking questions and voting online.

What you can find on the Corporate Governance page on our website:

 Market Disclosure Protocol

 Investor Relations Policy

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

Principle 6: Respect the rights of securityholders

RECOMMENDATION 6.1

Cromwell Property Group aims to keep securityholders informed on an ongoing basis of the Group's performance and all major developments. Securityholders receive regular reports and the Group uses its website as its primary means of providing information to securityholders and the broader investment community about the Group's business, history, corporate structure, corporate governance and financial performance.

The Corporate Governance page on the Group's website provides:

- a link to information about the Board of Directors;
- key corporate governance documents, including constitutions, charters and policies;
- a link to key events in the Corporate Governance calendar;
- a link to a description of the Group's stapled security dividends/distributions policy and information about the Group's dividend/distribution history;
- a link to download relevant securityholder forms; and
- materials referred to in this Statement.

The Group's website also provides:

- an overview of the Group's current business;
- a description of how the Group is structured;
- a summary of the Group's history;
- a statement of the Group's values;
- documents that the Group releases publicly (such as annual reports, ASX announcements, notices of meeting and company news items);
- historical information about the market prices of Cromwell Property Group securities;
- ahead of the AGM (or any general meeting), information including time and venue and a copy of the Chair's address, the CEO's address and the presentation materials;
- contact details for enquiries from securityholders, analysts or the media; and
- contact details for its securities registry.

Our website address:

www.cromwellpropertygroup.com

The Corporate Governance page on our website:

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 6.2

Cromwell Property Group has a Board-approved Investor Relations Policy, which has been designed to facilitate effective two-way communication with all Cromwell securityholders (institutional and retail) and other financial market participants, and to ensure that 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.

The Policy also sets out the policies and processes that the Group has in place to encourage participation of securityholders and financial market participants in the AGM. This is important to the Group because it assists with ensuring a high level of accountability and identification with the Group's strategies and goals.

What you can find on the Corporate Governance page on our website:

 Investor Relations Policy

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 6.3

Cromwell Property Group facilitates and encourages participation at meetings of securityholders.

Prior to the meeting, securityholders will be provided with a notice of meeting outlining the resolutions to be voted upon. This will be sent to securityholders in electronic or printed form (as elected) within the timeframe set by the Corporations Act. This material relating to the meeting will be released via the ASX announcements platform and made available on the Cromwell website.

A proxy form, allowing securityholders to appoint a proxy in the event they cannot attend the meeting, will accompany the notice of meeting.

A copy of the Chair's address, CEO's address and the meeting presentation materials are released on the ASX Market Announcements Platform before the commencement of the meeting.

At the AGM, the Chair and the CEO each address the meeting and provide securityholders with an update on the Group's business, governance, financial performance and prospects and any areas of concern or interest to the Board and management. Cromwell will also ensure that the current external audit partner is in attendance to answer securityholders' questions about the audit.

Securityholders are encouraged to participate and ask questions at securityholder meetings. The Chair and CEO take any comments and questions received from securityholders during or after their address. The Chair provides securityholders with an opportunity to ask questions about and discuss the specific resolutions put to the meeting. Securityholders have the opportunity to ask questions about or comment on the management of the Group.

The notice of meeting for the AGM advises that securityholders entitled to cast their vote at the AGM may submit written questions to the auditor relevant to the content of the auditor's report or the conduct of the audit of the annual financial report being considered at the AGM, or otherwise may submit written questions about or comments on the management of the Group. A securityholder wishing to submit a question is asked to submit the question in writing to the Company Secretary up to a week before the AGM. A list of the questions submitted is made available to securityholders attending the AGM at or before the start of the AGM. Where appropriate, these questions and comments are addressed at the meeting by being read out and then responded to at the meeting. At the AGM, the Chair reminds securityholders of the opportunity to ask questions, including questions about or comments on the management of the Group.

Securityholder meetings are held during business hours at the Group's registered office in Brisbane, which is accessible by public transport and near paid carparking locations. The notice of meeting invites securityholders to join the Directors for morning tea or afternoon tea (as applicable) after the meeting, subject to any restrictions associated with the COVID-19

pandemic. Cromwell provides 'virtual' online participation through a platform provided by Cromwell's registry, Link Market Services Limited, so that securityholders can participate (including asking questions and voting online) if they are unable to attend the meeting in person.

For the general meeting on 18 September 2020, securityholders were invited to attend in-person at a Brisbane meeting location or a Sydney meeting location or to participate in the meeting 'virtually' through an online platform provided by Cromwell's registry, Link Market Services Limited. Securityholders participating 'virtually' were able to participate in the meeting by hearing the chair of the meeting's address, viewing the presentation slides, asking questions and (if they had not previously lodged a proxy) voting online.

For the AGM on 18 November 2020, securityholders were invited to attend in-person at the Group's registered office in Brisbane or to participate in the meeting 'virtually' through an online platform provided by Cromwell's registry, Link Market Services Limited. Securityholders participating 'virtually' were able to participate in the meeting by hearing the chair of the meeting's address, viewing the presentation slides, asking questions and voting online.

For the general meeting on 12 February 2021, securityholders were invited to participate in the meeting 'virtually' through an online platform provided by Cromwell's registry, Link Market Services Limited. Securityholders participating 'virtually' were able to participate in the meeting by hearing the chair of the meeting's address, viewing the presentation slides, asking questions and voting online.

RECOMMENDATION 6.4

At the general meeting on 18 September 2020, the AGM on 18 November 2020 and the general meeting on 12 February 2021, all resolutions were decided by way of a poll rather than by a show of hands.

RECOMMENDATION 6.5

Cromwell Property Group gives its securityholders the option to receive communications from the Group and from its securities registry electronically. Most securityholders have elected to receive all communications electronically, while other securityholders have elected to receive all communications electronically with payment statements received by post.

Electronic communications sent by the Group and by the securities registry are formatted in a reader friendly and printer friendly format.

Securityholders can send communications to the Group and to the securities registry electronically. The Contact page on the Group's website provides the email address for contacting the Group and the securities registry.

Principle 7: Recognise and manage risk

RECOMMENDATION 7.1

Audit and Risk Committee

The Group is exposed to various risks across its business operations and recognises the importance of effectively identifying and managing those risks so that informed decisions on risk issues can be made. The Board's Audit and Risk Committee has five members, the majority of whom are independent Directors. The Committee is chaired by an independent Director who is not the Chair of the Board. The Audit and Risk Committee operates under a Board-approved written Charter, which sets out the Committee's various responsibilities, including:

- assessing the effectiveness of the internal risk control system and management's performance against the risk management framework, including whether management is operating within the risk appetite set by the Board;
- receiving reports from management of any actual or suspected fraud, theft or other breach of internal controls and the 'lessons learned';
- receiving compliance assurance and internal risk control testing reports, including reviews of the adequacy of processes for risk management, internal control and governance;
- receiving reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks;
- making recommendations to the Board in relation to changes that should be made to the risk management framework or to the risk appetite set by the Board;
- reviewing the general insurance programme, and assessing and recommending to the Board for adoption the scope, cover and cost of corporate insurance; and
- receiving reports from management outlining the sustainability practices of the Group, including its assessment of the potential impacts of climate change.

The Audit and Risk Committee:

- may seek any information it considers necessary to fulfil its responsibilities;
- has access to management to seek explanations and information;
- has access to auditors to seek explanations and information from them, without management being present;
- may seek professional advice from employees of the Group and independent professional advice from appropriate external advisors, at Cromwell Property Group's cost; and
- may meet with external advisors without management being present.

The minutes of each Audit and Risk Committee meeting are included in the papers for the next Board meeting after the Committee has approved those minutes. The Chair of the Audit and Risk Committee reports the Committee's findings to the next Board meeting after each meeting of the Committee.

The Directors' Report discloses:

- the relevant qualifications and experience of the members of the Audit and Risk Committee; and
- the number of times that the Audit and Risk Committee met during the 2021 financial year and the individual attendances of the members at those meetings. For easy reference, the information (including percentages of total) is shown in this Statement under recommendation 1.1.

What you can find on the Corporate Governance page on our website:



Audit and Risk Committee Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 7.2

The Board is responsible for:

- 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; and
- reviewing and ratifying systems of internal compliance and control and legal compliance to ensure appropriate governance and compliance frameworks and controls are in place.

As outlined in its Board-approved Charter, the Audit and Risk Committee's responsibilities include:

- overseeing the establishment and implementation of risk management and internal compliance and control systems and ensuring there is a mechanism for assessing the efficiency and effectiveness of those systems at least annually;
- approving and recommending to the Board for adoption policies and procedures on risk oversight and management to establish an effective and efficient system for:
 - identifying, assessing, monitoring and managing risk; and
 - disclosing any material change to the risk profile; and
- regularly reviewing and updating the risk profile.

Under the direction of the CEO, management is responsible for ensuring that the Group operates within the risk appetite set by the Board. It does so by identifying relevant business risks, designing controls to manage those risks and ensuring those controls are appropriately implemented. The Group has adopted an Enterprise Risk Management Policy, which is a general statement of the Group's approach to proactive, enterprise wide risk management. There is also a wide range of underlying internal policies and procedures, which are designed to mitigate the Group's material business risks. The Group's approach to enterprise risk management is guided by relevant International Standards and regulatory guidance and the Recommendations.

Reviews of the enterprise risk management framework were completed in the 2021 financial year. The Audit and Risk Committee and the Board were satisfied the framework continues to be sound and that Cromwell Property Group operates within the risk appetite set by the Board.

Compliance Committee

A Compliance Committee – comprised of a majority of external members – monitors the extent to which Cromwell Property Securities Limited (as Responsible Entity for the CDPT) complies with the CDPT's compliance plan and the underlying compliance framework. The Board of Cromwell Property Securities Limited receives regular reports from the Compliance Committee. During the financial year, the Chair of the Compliance Committee meets with the Audit and Risk Committee, with time made available for the Committee to meet with the Chair of the Compliance Committee without


management being present. The roles and responsibilities of the Compliance Committee are outlined in a Board-approved Charter, which is reviewed annually by the Compliance Committee. The Board of the Responsible Entity may change the Charter at any time by resolution.

What you can find on the Corporate Governance page on our website:

 Board Charter

 Audit and Risk Committee Charter

 Enterprise Risk Management Policy

 Compliance Committee Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 7.3


The Group's Risk and Audit Universe, aligned with the Group's Sustainability Framework, sets out each risk description and auditable focus area. The Risk and Audit Universe details three internal levels of control: Level One (management oversight and operational controls, policies and processes); Level Two (monitoring governance, compliance, risk management and reporting); and Level Three (functionally independent assessments and reviews). Level Four under the Risk and Audit Universe comprises external audit, assurance and verification of processes.

Although the Group does not have a designated internal audit function, throughout the year the Compliance team conducts tests of the effectiveness of the controls and the appropriateness of the monitoring strategies in place for those risks with an inherent risk rating of Very High or High. This forms part of Level Three under the Risk and Audit Universe. Relevant management confirm (monthly, quarterly or annually as appropriate given the residual risk rating) that the controls remain appropriate and identify any new risks and any new controls that should be put in place. The findings are reported to the Audit and Risk Committee.

RECOMMENDATION 7.4

The Group's Sustainability Report discloses the extent to which the Group has material exposure to environmental or social risks and explains how such risks are and will be managed.

What you can find on the Sustainability page on our website:

 Sustainability Report (current edition and previous editions)

www.cromwellpropertygroup.com/sustainability

Principle 8: Remunerate fairly and responsibly

RECOMMENDATION 8.1

Nomination and Remuneration Committee

The Board has a long-established Nomination and Remuneration Committee, which operates under a Board-approved written Charter. The Charter sets out the Nomination and Remuneration Committee's various responsibilities, including reviewing and making recommendations to the Board in relation to:

- coherent remuneration policies and practices to attract, retain and motivate senior executives and directors who will create value for securityholders;
- the remuneration framework for Non-executive Directors, including the allocation of the pool of Directors' fees;
- Executive Director and senior executive total remuneration;
- the design of any equity based incentive plan; and
- whether there is any gender or other inappropriate bias in remuneration policies and practices.

The Nomination and Remuneration Committee:

- may seek any information it considers necessary to fulfil its responsibilities;
- has access to management to seek explanations and information;
- may seek professional advice from employees of the Group and independent professional advice and services from appropriate external advisors (independent of management), at Cromwell Property Group's cost; and
- may meet with external advisors without management being present.

The minutes of each Nomination and Remuneration Committee meeting are included in the papers for the next Board meeting after the Committee has approved those minutes. The Chair of the Nomination and Remuneration Committee reports the Committee's findings to the next Board meeting after each meeting of the Committee. The Board's Nomination and Remuneration Committee has four members, all of whom are independent Directors. The Committee is chaired by an independent Director who is not the Chair of the Board.

The Directors' Report discloses the members of the Nomination and Remuneration Committee, the number of times that the Committee met during the 2021 financial year and the individual attendances of the members at those meetings. For easy reference, the information (including percentages of total) is shown in this Statement under recommendation 1.1.

What you can find on the Corporate Governance page on our website:



Nomination and Remuneration Committee Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 8.2

The Directors' Report (the section titled Remuneration Report) discloses information, including the policies and practices regarding the remuneration of:

- Non-executive Directors; and
- the Executive Director and other senior executives.

The respective policies and practices reflect the different roles and responsibilities of Non-executive Directors and the Executive Director and other senior executives.

As disclosed in the Remuneration Report, the Group's Non-executive Directors are paid a fixed remuneration, comprising base and committee fees or salary and superannuation (if applicable). Non-executive Directors do not receive bonus payments or participate in security-based compensation plans, are not provided with retirement benefits other than statutory superannuation and are required to hold a minimum of one year's fees (at the Non-executive Director fee rate) within three years from their start date.

The Remuneration Report details the nature and amount of remuneration of the Chief Executive Officer (Executive Director) and other senior executives (Key Management Personnel or KMP).

Remuneration packages are designed to align the KMP's interests with those of securityholders. Objectives and key results (OKRs) for each KMP consider their role within Cromwell generally as well as their expected contribution to the achievement of Cromwell's objectives. The OKRs are designed to best incentivise each KMP to meet Cromwell's objectives and therefore best serve the interests of securityholders. This is achieved by providing remuneration packages which consist of the following three elements (or a combination thereof) where appropriate:

- Fixed component in the form of a cash salary;
- An at-risk cash and equity award that is linked solely to performance of a tailored set of objectives, where appropriate; and
- At-risk longer-term equity payment. This third element is equity based remuneration aimed at alignment with securityholder outcomes and retention.

The Group has an official clawback policy on unvested rights and deferred securities and malus and clawback clauses allow unvested securities to be clawed back where a recipient has acted fraudulently, dishonestly or where there has been a material misstatement or omission in the Group's financial statements leading to receipt of an unfair benefit. Unvested stapled securities held by a participant under Cromwell Property Group's Stapled Security Incentive Plan lapse in certain circumstances including where, in the Plan Committee's opinion, they are liable to clawback under the clawback policy. Additionally, performance rights under Cromwell Property Group's Performance Rights Plan lapse under certain circumstances including a determination by the Plan Committee that the performance right should lapse because the participant, in the Plan Committee's opinion, has committed any act of fraud, defalcation or gross misconduct in relation to the affairs of a body corporate in the Group.

For all KMP except the CEO and Non-executive Directors, the CEO is responsible for setting OKR targets which are reviewed by the Board and assessing annually whether those targets have been met. The OKR targets for the CEO are set, revised and reviewed annually by the Nomination and Remuneration Committee and the Board.

What you can find on the Corporate Governance page on our website:



Nomination and Remuneration Committee Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 8.3

In accordance with the remuneration policy, the Group operates:

- a Performance Rights Plan and has issued performance rights to a number of senior executives, including the former CEO Mr Paul Weightman (a former Executive Director). The terms of the Group's Performance Rights Plan do not allow participants, whether Executive Directors or other employees, to hedge or otherwise limit the economic risk of their participation in the Plan; and
- a Stapled Security Incentive Plan and has offered Cromwell Property Group securities to a number of senior executives. The terms of the Group's Stapled Security Incentive Plan do not allow participants, whether Executive Directors or other employees, to hedge or otherwise limit the economic risk of their participation in the Plan.

What you can find on the Corporate Governance page on our website:



Plan Rules for the Cromwell Property Group Performance Rights Plan



Plan Rules for the Cromwell Property Group Stapled Security Incentive Plan

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance



CROMWELL
PROPERTY GROUP

