



Nomination and Remuneration Committee Charter

CROMWELL PROPERTY GROUP

Cromwell Corporation Limited ABN 44 001 056 980

Cromwell Property Securities Limited ABN 11 079 147 809

Nomination and Remuneration Committee Charter

1. Introduction

- 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 Nomination and Remuneration Committee (Committee) is a committee of the Board of Directors of CCL and CPS (each a Company with its own Board). The Boards of CCL and CPS are collectively referred to in this Charter as the Board.
- c) This Charter sets out the scope of the Nomination and Remuneration Committee's responsibilities.
- d) For the purposes of this Charter, the term 'senior executives' refers to any employees of Cromwell Property Group whose remuneration is required to be disclosed in the Cromwell Property Group financial reports under the *Corporations Act 2001* (Cth) (Corporations Act).

2. Objective

- a) The objectives of the 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.

3. Nominations and Board composition

- a) The Committee is responsible for:
 - i) identifying and recommending to the Board, nominees for membership of the Board (including the Chief Executive Officer) and the re-election (if sought) of retiring directors;

Nomination and Remuneration Committee Charter

- ii) identifying and assessing the necessary and desirable competencies and characteristics for Board membership and regularly assessing the extent to which those competencies and characteristics are represented on the Board;
 - iii) developing and implementing processes to identify and assess necessary and desirable competencies and characteristics for Board members;
 - iv) ensuring succession plans are in place to maintain an appropriate balance of skills on the Board and reviewing those plans;
 - v) ensuring succession plans are in place with regard to the Chief Executive Officer and other senior executives;
 - vi) recommending the removal of directors;
 - vii) recommending to the Board measurable objectives for achieving gender diversity; and
 - viii) annually reviewing, and reporting to the Board, on progress towards achieving the gender diversity objectives.
- b) (Re-election of directors) The 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. 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 remains independent according to the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (4th edition)*.

4. Appointing new directors

- a) It is intended that each Board will be structured in such a way that it:
- i) has a proper understanding of, and competence to deal with, the current and emerging issues of the business;
 - ii) exercises independent judgement;
 - iii) is appropriately diverse in its composition;
 - iv) encourages enhanced Company performance; and
 - v) can effectively review and challenge the performance of management.
- b) The procedure for appointing new directors is designed to ensure maximum transparency and objectivity. Each appointment should be based on merit and suitably extensive enquiries should be made to find candidates. The type of steps involved will include:

Nomination and Remuneration Committee Charter

- i) regularly assessing and identifying the necessary and desirable skills, experience and knowledge for Board members;
- ii) assessing and identifying the skills, experience and knowledge represented on the Board and those desired in any new appointment;
- iii) assessing and determining the time commitment needed from each Board member to adequately perform their duties;
- iv) writing a job specification for the role;
- v) writing a description of the skills, experience and knowledge desired in a candidate that best suits the Board's current and future needs;
- vi) making enquiries of professional executive search and recruitment consultants for candidates;
- vii) interviewing each candidate and conducting background and reference checks into the candidate's character, experience, education, any criminal record and bankruptcy history;
- viii) ensuring that each candidate:
 - A) has the necessary skills, experience and knowledge to perform their duties and responsibilities as a director;
 - B) is able to devote the time necessary to perform their duties and responsibilities;
 - C) is assessed for independence in accordance with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (4th edition)*; and
 - D) is able to work with the other members of the Board; and
- ix) assembling a shortlist of potential nominees for submission to the Board.

5. Performance and education of directors

- a) The Committee is responsible for:
 - i) facilitating an annual review of the performance of the Chief Executive Officer;
 - ii) establishing processes for evaluating the performance of the Board, Board Committees and directors;
 - iii) regularly reviewing the time required from non-executive directors to perform their functions and assessing whether they are satisfying time requirements;
 - iv) establishing induction programmes for new directors; and
 - v) establishing continuing professional development programmes for directors.
- b) A member of the Committee must not participate in any review or assessment of their own performance.

6. Remuneration policies and practices

- a) Senior executive remuneration and incentive policies and practices must be:

Nomination and Remuneration Committee Charter

- i) performance based and aligned with Cromwell Property Group's vision, values and overall business objectives; and
- ii) designed to:
 - A) motivate the senior executives to pursue Cromwell Property Group's long term growth and success; and
 - B) demonstrate a clear relationship between Cromwell Property Group's overall performance and the performance of senior executives.
- b) In performing its responsibilities in relation to remuneration, the Committee must give appropriate consideration to Cromwell Property Group's performance and objectives, employment conditions and remuneration relativities.
- c) The Committee is responsible for:

Director remuneration

- i) making recommendations to the Board about the remuneration framework for non-executive directors, including the allocation of the pool of directors' fees;

Diversity

- ii) making recommendations to the Board in relation to whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees;

Policies and practices for senior executive remuneration and incentives

- iii) reviewing and recommending to the Board for adoption policies and practices for senior executive remuneration and incentives; and

Executive directors and senior executives

- iv) annually considering and recommending to the Board each executive director's total remuneration (including base pay, incentive awards, equity awards, retirement rights and terms of engagement) having regard to remuneration and incentive policies;
- v) determining if securityholder approval is needed for any change to remuneration of directors or senior executives;
- vi) reviewing and recommending to the Board, on the recommendation of the Chief Executive Officer:
 - A) the total remuneration (including incentive awards, equity awards and retirement and termination payments);
 - B) the terms of engagement; and
 - C) any changes to the total remuneration and terms of employment, of senior executives;
- vii) recommending to the Board for approval changes to the remuneration or terms of engagement of executive directors before implementation; and
- viii) preparing for approval by the Board any report on executive remuneration that may be:
 - A) required by the ASX Listing Rules or the Corporations Act; or
 - B) proposed for inclusion in the annual report, and reporting regularly to the Board on those matters;

Senior executive incentive plans

Nomination and Remuneration Committee Charter

- ix) reviewing and recommending to the Board for adoption the design of any senior executive incentive plan;
- x) reviewing and recommending to the Board for adoption the total proposed payments from any senior executive incentive plan;
- xi) reviewing and recommending to the Board for adoption the design of any equity based plan;
- xii) reviewing any plan for legislative, regulatory and market developments;
- xiii) reviewing and recommending to the Board for approval the total proposed awards under any equity based plan;
- xiv) reviewing and recommending to the Board for approval the proposed award to each senior executive under the rules of any plan or as approved by the Committee; and
- xv) reviewing and recommending to the Board for adoption and keeping under review the performance hurdles for any equity based plan.

7. Recruitment and termination

- a) The Committee is responsible for:
 - i) reviewing and recommending to the Board for adoption recruitment, retention and termination policies and practices for senior executives;
 - ii) reviewing and recommending to the Board for approval termination payments to executive directors before they are implemented; and
 - iii) considering and, if appropriate, ratifying termination payments to direct reports of the Chief Executive Officer and other senior executives and members of the senior management team or executive committee.
- b) Any termination payment to any other departing senior executive should be reported to the Committee at its next meeting.

8. Committee composition

- a) The Committee must comprise:
 - i) at least three Cromwell Directors; and
 - ii) a majority of independent Cromwell Directors.
- b) The Committee will appoint its Chair. The Chair of the Committee must be an independent Cromwell Director and may not be the Chair of the Cromwell Board.
- c) The Committee will appoint a secretary.
- d) The Cromwell Board decides appointments (when applicable), rotations and resignations within the Committee having regard to the ASX Listing Rules, the Corporations Act and each Company's constitution.

9. Committee meetings

- a) The Committee will meet often enough to undertake its role effectively. The secretary of the Committee must convene a meeting at the request of any member of the Committee.
- b) A quorum for a Committee meeting is two Committee members.
- c) Committee meetings may be held by any technological means allowing its members to participate in discussions even if all of them are not physically present in the same place. A member who is not physically present but participating by technological means is taken to be present.
- d) The Committee may pass or approve a resolution without holding a meeting in accordance with the procedures (so far as they are appropriate) in section 248A of the Corporations Act.
- e) The Committee may invite other persons it regards appropriate to attend Committee meetings.

10. Minutes of meetings

- a) The Committee must keep minutes of its meetings.
- b) Minutes of each Committee meeting must be included in the papers for the next Board meeting after the Committee has approved those minutes.
- c) Minutes, agenda and supporting papers are available to Directors upon request to the Committee secretary, except if a conflict of interest exists.

11. Reporting to the board

- a) The Committee Chair must report the Committee's findings to the next full Board meeting after each meeting of the Committee.

12. Access to information and independent advice

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

13. 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 for any changes.
- b) The Board may change this Charter at any time by resolution.

14. Approved, adopted and reviewed

- a) This Charter was adopted by the Nomination and Remuneration Committee on 29 January 2008 and approved by the Board on 30 January 2008.
- b) The Committee last reviewed the Charter in June 2020.
- c) The Board last reviewed the Charter in June 2020.