



Company	Cromwell Property Group
Code	CMW
Meeting	AGM
Date	18 November 2020
Venue	Hybrid meeting; online and live at Brisbane headquarters
Monitor	Kelly Buchanan assisted by Mike Stalley and Michael Leyland

Number attendees at meeting	200 shareholders plus 100 visitors – as provided by the company
Number of holdings represented by ASA	38
Value of proxies	\$1.693 m
Number of shares represented by ASA	1,193,967
Market capitalisation	\$2.5 billion
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes with Chair Leon Blitz, Rem Committee Chair Tanya Cox, Former Rem Committee Chair Ross McGlade and Shareholder Relations Head Ross McGlade

Stealthy Takeover results in AGM Bloodbath

Over the past two years competitor and major shareholder ARA Group has continued to accumulate shares in CMW and earlier this year launched a proportional takeover bid which was opposed by Cromwell. After two EGMs this year, ARA now has two members on the CMW board, Gary Weiss and Joseph Gersch and it now owns over 30% of the company.

On the morning of the AGM CMW shares went into a trading halt that appeared rather mysterious.

The meeting was held live in Brisbane with Chair Leon Blitz attending from a 4am London time zone. Company founder, CEO and MD Paul Weightman conducted the in-person formalities while most other directors attended online. NED John Humphrey was an apology. As this monitor attended online, it was difficult to observe the tone of the room however it appeared to be very formal.

Even though Australia's four major proxy advisory firms' recommendations aligned with those of ASA, the chairman and two NED's were voted off the board with about 59% of the votes cast against. The Remuneration report was rejected by a similar majority and a motion to spill the board was passed. Since the meeting, NED Jane Tongs has been appointed chairman of the board.

ASA questioned whether the board would continue to function in the best interests of retail shareholders and received the usual boiler-plate answers. Following the meeting the AFR headlines read "Cromwell Board Torpedoed in AGM Bloodbath". And the trading halt was lifted with a "nothing to see here" explanation.

ARA has repeatedly claimed that CMW is poorly managed and has made bad investment decisions, all the while accumulating more shares. In this latest move it has used its shareholding to effectively take over the company by use of the spill motion on remuneration. And the competitor to Cromwell has not paid a premium to shareholders for gaining control.