



Company	Cromwell Property Group
Code	CMW
Meeting	AGM
Date	28 November 2019
Venue	Cromwell Head Office, Brisbane
Monitor	Kelly Buchanan

Number attendees at meeting	~120
Number of holdings represented by ASA	34
Value of proxies	\$1.9m
Number of shares represented by ASA	1.6m
Market capitalisation	\$3.17 billion
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with chair of Remuneration Committee Andrew Fay

AN ELEPHANT IN THE ROOM

Competitor and 23% shareholder ARA Group was the “elephant in the room” at this year’s AGM. Following a heated proxy battle and media blitz, ARA had hoped to re-take a seat on the board and perhaps set itself up for a future board spill. Cromwell Chariman Geoff Levy walked a tightrope to get procedure right, inviting solicitors for all parties to act as scrutineers as Link Market Services carried out the vote count.

This year’s meeting saw a larger shareholder turnout than in recent years. Individual Shareholders exhibited passion for the company, its management and its results, one emotional investor having flown in from Sydney specifically for the meeting. Other long-time shareholders expressed anger at ARA’s proxy solicitation saying they had ‘masqueraded’ as being from Cromwell.

The drama escalated earlier this year when ARA’s appointment to the board resigned suddenly. It was noted that he had had to be excluded from many board decisions because of his conflicts of interest. ARA’s nomination of Gary Weiss as a

director was opposed by the board on the grounds that he too would not be able to participate in many decisions given his close association with competitor ARA. Mr Weiss sat alone at the meeting, save for the ARA solicitor sitting next to him, both doing good impressions of Nigel No-Mates.

ARA's proxy battle and vote targeted incoming new directors Ms Scenna and Ms Cox who were both elected by a slim 52%-48% margin. Surprisingly, ARA favoured the re-election of five-year veteran director Jane Tongs who was returned with a 99% vote. Weiss's election was rejected by a narrow 51%-49% majority.

Cromwell suffered a first strike and large vote against the remuneration report. It was defeated by a 53% vote against presumably because of ARA's influence. There were some rumblings and speculation that ARA wants a board spill as a way to take-over the board which could be on the cards for next year if ARA continues on its current trajectory. Directors mentioned that proxy advisors had recommended voting in favour of the company's new and vastly improved remuneration scheme which was brought about by new chair of the remuneration committee Andrew Fay.

The Financial Review had a good write up of the meeting shortly after the outcome was announced.