

MEETING BOOKLET

To consider BWP Trust management internalisation,
Bunnings lease reset and extension, and capital
expenditure commitments

The Non-Executive Directors unanimously recommend
that BWP Trust Unitholders

VOTE IN FAVOUR

of the Resolutions at the Extraordinary General Meeting.

This is an important document and requires your immediate attention.

Please read all information contained in the Prospectus, Notice of Meeting and Explanatory Memorandum in full. If you are in any doubt about how to deal with this document, you should contact your broker, financial advisor, legal advisor or taxation advisor.

If you have recently sold all of your BWP Units, please disregard this notice and the enclosed documents.

Financial Advisor

HIGHBURY
— PARTNERSHIP —

Legal Advisor

**CORRS
CHAMBERS
WESTGARTH**

Prospectus

Issued by BWP Property Group Ltd ACN 688 059 074

Notice of Meeting

Issued by BWP Management Limited ACN 082 856 424
as responsible entity of the BWP Trust ARSN 088 581 097
(ASX:BWP)

Explanatory Memorandum to Notice of Meeting

Issued by BWP Management Limited ACN 082 856 424
as responsible entity of the BWP Trust ARSN 088 581 097
(ASX:BWP)

Meeting date

10:00am AWST
Monday, 28 July 2025

Perth Convention & Exhibition Centre
Meeting Room 8, Level 2
21 Mounts Bay Road
Perth WA 6000

About this document

This document comprises a Prospectus, Notice of Meeting and Explanatory Memorandum which, together, contain detailed information about a proposal for:

- 1 the internalisation of the management functions of BWP (**Internalisation**);
- 2 restructuring the terms of Bunnings Leases within the BWP property portfolio (**Lease Reset and Extension**); and
- 3 store expansion expenditure commitments and network upgrade expenditure commitments at certain Bunnings sites within the BWP property portfolio (**Capital Expenditure Commitments**),

where, the Internalisation, Lease Reset and Extension and Capital Expenditure Commitments comprise the **Proposed Transaction**. This document covers the Proposed Transaction's impacts on Investors and the Resolutions to be voted on in connection with the Proposed Transaction.

What should you do?

The Proposed Transaction requires the approval of Investors. You should:

1 READ

Read the Prospectus, Notice of Meeting and Explanatory Memorandum in full.

Investors should read the Prospectus, Notice of Meeting and Explanatory Memorandum carefully before making any decision about how to vote. All BWP Property Group Shares distributed to implement the Internalisation shall be taken to be received by Investors pursuant to, and on the basis that they have considered the contents of, the Prospectus.

2 VOTE

Investors wishing to vote on the Resolutions must either attend the Meeting at 10:00am AWST on 28 July 2025 or return their proxy form by 10:00am AWST on 26 July 2025.

Further information

If you have further enquiries please contact the toll-free Information Line on 1300 119 134 (within Australia) and +61 3 9415 4352 (outside Australia) between 8:30 am and 5:00 pm (AEST) Monday to Friday (excluding public holidays).

If you have queries or uncertainties relating to any matter you should consult your stockbroker, accountant or other professional advisor.

Any material amendment to the Proposed Transaction will be announced to the market through ASX and posted on the BWP's website at <https://www.bwptrust.com.au/>.

Legend

BWP is a reference to the BWP corporate group, being (a) prior to Implementation, BWPM, the BWP Trust and each of the BWP Trust's subsidiary entities and (b) following Implementation, the Stapled Entities and each of their subsidiary entities.

BWP Boards is a reference to the BWPM Board and the BWP Property Group Board.

BWP Operations is a reference to BWP Operations Pty Ltd ACN 688 086 124, the entity established to be the operations entity for BWP on a go-forward basis.

BWP Property Group is a reference to BWP Property Group Ltd ACN 688 059 074, the company to be listed and stapled to units in the BWP Trust.

BWP Property Group Board is a reference to the board of directors of BWP Property Group.

BWPM is a reference to BWP Management Limited ACN 082 856 424 as the responsible entity of the BWP Trust ARSN 088 581 097 (ASX:BWP).

BWP Trust is a reference to BWP Trust ARSN 088 581 097 (ASX:BWP).

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Chair's letter

Dear Investor,

On behalf of the BWP Trust, I am delighted to present this opportunity to you.

BWP listed on the ASX on 16 September 1998 and for the past 27 years BWP has remained committed to its original investment proposition by focusing on well-located, geographically-diverse large format retail properties with long-term leases to quality tenants. Wesfarmers Limited (**Wesfarmers**), including its wholly owned subsidiary, Bunnings Group Limited (**Bunnings**), remains BWP's largest tenant, collectively accounting for approximately 81.5 per cent¹ of rent. This quality portfolio, with rent underpinned by Bunnings, has ensured that BWP Investors have enjoyed since listing a secure, growing income stream and capital growth.

In both a continuation and evolution of BWP Trust's original investment proposition, on 27 June 2025, BWP and Wesfarmers signed the Implementation Deed to enable a proposal to be put to Investors comprising three components:

- 1 the internalisation of the management functions of BWP (**Internalisation**);
- 2 restructuring the terms of Bunnings Leases within the BWP property portfolio (**Lease Reset and Extension**); and
- 3 store expansion expenditure commitments and network upgrade expenditure commitments at certain Bunnings sites within the BWP property portfolio (**Capital Expenditure Commitments**).²

where, collectively, the Internalisation, Lease Reset and Extension, and Capital Expenditure Commitments comprise the **Proposed Transaction**.

Further detail on the three components which comprise the Proposed Transaction are provided below.

Internalisation

Subject to the terms of the Share Sale and Subscription Deed, a new entity, BWP Property Group Ltd (**BWP Property Group**) is to acquire BWP Management Limited (**BWPM**), currently wholly owned by Wesfarmers and the responsible entity of the BWP Trust, for \$142.6 million (**Internalisation Purchase Price**) and in doing so, internalise the management functions of BWP. The Internalisation Purchase Price comprises \$100 million in cash funded via the drawdown from BWP's debt facilities (**Cash Consideration**) and 10,867,347 Stapled Securities issued at \$3.92³ (**Consideration Securities**), reflecting a multiple of 10.6x BWPM's forecast FY2026 earnings before interest and tax of \$13.4 million. Further details of the acquisition of BWPM are set out in **section 10.1.3** of the Prospectus.

An internalisation represents a transaction often related to listed property trusts or funds, where the investors of the relevant trust or fund acquire the responsible entity (and other management entities, as relevant) that manages the relevant trust or fund.

As part of the Internalisation, BWP and Wesfarmers have entered into a Co-operation and Services Agreement (**CASA**) to govern the transitional relationship between BWP and Wesfarmers for a maximum period of five years following implementation of the Proposed Transaction (**Implementation**). The CASA also details the scope of the Transitional Services to be provided by Wesfarmers to BWP following Implementation. The Transitional Services will broadly be charged in-line with historical levels for the first two years following Implementation, following which the Transitional Services will be provided on a cost recovery basis. Further details of the CASA are set out in **section 10.2** of the Prospectus.

Lease reset and extension

As part of the Proposed Transaction, 62 Bunnings Leases⁴ are to be reset and extended as follows:

- > the term of each Bunnings Lease is increased to extend the term certain, materially lengthening both BWP's portfolio weighted average lease expiry (**WALE**) from 4.4⁵ years to 8.0 years⁶ and the WALE for the Bunnings Leases within the BWP property portfolio (**Bunnings WALE**) from 4.6 years⁷ to 9.5 years⁸;
- > the option tenure of each Bunnings Lease is restructured to have between 4 and 8 option periods of 6 years each; and
- > each Bunnings Lease is to have a market rent review at the exercise of the first option and every second option after that, with the application of 10 per cent cap/collar at the respective market rent reviews.

The majority of other lease terms, including annual rent escalation mechanisms, remain unchanged within the Proposed Transaction. The Lease Reset and Extension is detailed further in **section 10.3** of the Prospectus.

¹ As at 31 December 2024.

² The Capital Expenditure Commitments are subject to development approvals, board approvals and completion of legal documentation.

³ Reflecting BWP's net tangible assets per Unit as at 31 December 2024.

⁴ This represents all leases between BWP and Bunnings except for Rocklea, Wagga Wagga and Geraldton which are excluded following Bunnings' notification of its intention to vacate.

⁵ As at 31 December 2024.

⁶ As at 31 December 2024, allowing for the agreed lease extensions to commence at the next anniversary of each current Bunnings Lease, except for the Chadstone lease which will commence at Implementation.

⁷ As at 31 December 2024.

⁸ As at 31 December 2024, allowing for the agreed lease extensions to commence at the next anniversary of each current Bunnings Lease, except for the Chadstone lease which will commence at Implementation.

Capital expenditure commitments⁹

To secure further growth opportunities, BWP and Bunnings have committed to enhancing the quality of the portfolio to enable store format improvement and offer expansion within the Bunnings store network through a combination of store expansion and network upgrade capital expenditure.

Store expansion capital expenditure

BWP and Bunnings have committed to undertake expansions at five Bunnings sites representing a development commitment from Bunnings of \$56 million, funded by BWP, with works to commence within three years of Implementation.

Further details on the Bunnings sites to be upgraded, together with the additional rent to be paid to BWP on the completion of the upgrades, is provided in **section 1.5.7** and **section 10.3** of the Prospectus.

Network upgrade capital expenditure

BWP and Bunnings have also committed to each fund \$15 million (\$30 million in total) of network upgrade expenditure to deliver asset enhancements and upgrades across a number of BWP's older assets. These works are to upgrade ageing Bunnings sites to extend their useful life, with such upgrades to be completed within five years of Implementation.

Further details on the Bunnings sites to be upgraded are provided in **section 1.5.7** and **section 10.3** of the Prospectus.

Resolutions

In connection with the Proposed Transaction, BWP is asking Investors to consider, and if thought fit, pass three Resolutions. The Resolutions are broadly to approve:

- 1 the Proposed Transaction (including the related party arrangements of the Proposed Transaction) and certain Future Related Party Dealings between BWP and Bunnings;
- 2 the adoption of the Employee Incentive Plan and the issuance of securities under the Employee Incentive Plan; and
- 3 amendments to the Existing BWP Trust Constitution.

Further details on the Resolutions are set out in the Notice of Meeting and Explanatory Memorandum.

Board recommendation

The BWP Board considers that the Proposed Transaction provides a compelling opportunity to secure continued exposure to Bunnings as BWP's largest tenant, and to create an aligned and cost efficient internally managed real estate investment group with significant lease tenure, with the ability to continue generating attractive and predictable distributions for Investors.

The amendments to the Existing BWP Trust Constitution, in connection with the Proposed Transaction, will also allow BWP to contemporise its governance and enable expanded services and income diversification.

The BWP Non-Executive Directors therefore recommend the Proposed Transaction and Future Related Party Dealings to Investors.

Advantages of the Proposed Transaction

- > **Tenant retention and tenant quality continuation** – the Proposed Transaction secures a strong and highly capable national retailer, Bunnings, for additional lease term certain ensuring continued covenant strength.
- > **Income certainty** – the Proposed Transaction provides increased certainty of future rent, with Bunnings' medium-term vacancy, and any associated income risk, removed.
- > **Longer weighted average lease expiries** – the term of 62 Bunnings Leases will be extended resulting in an increase to BWP's portfolio WALE from 4.4 years¹⁰ to 8.0 years¹¹, with the Bunnings WALE more than doubling from 4.6 years¹² to 9.5 years.¹³
- > **Expected valuation uplift from Lease Reset and Extension** – the increased WALE is expected to have an uplift to property valuations estimated at \$49.9 million¹⁴ which reflects an 8 basis points compression in BWP's weighted average capitalisation rate to 5.35 per cent.
- > **Lowering operating costs** – with the removal of the management fee payable to Wesfarmers (as the current ultimate holding company of the BWP Management Entities) forecast to be \$22.0 million in the year ending 30 June 2026 (see "Responsible entity's fees" and in **section 7.7**), and the internalisation of BWP's operating expenses (forecast to be \$9.6 million for the year ending 30 June 2026, see "Operating costs (internally managed)" in **section 7.7**), BWP's cost of doing business will be reduced, potentially lowering BWP's cost of capital and increasing BWP's competitiveness in bidding on new investments.
- > **Distribution accretion** – the Proposed Transaction is forecast to be accretive to FY2026 distributions. Excluding the Proposed Transaction, BWP's FY2026 distribution is forecast to be 19.03 cents per BWP Trust Unit (including capital profits of \$5.6 million), reflecting 2.0 per cent growth on FY2025. Following Implementation of the Proposed Transaction, BWP's distribution forecast for FY2026 is 19.41 cents per BWP Stapled Security (including capital profits of \$5.6 million). This reflects 2.0 per cent accretion to the FY2026 distribution pre-Implementation, and 2.3 per cent accretion on a pro forma full year basis. BWP's distribution forecast of 19.41 cents per BWP Stapled Security represents a 4.1 per cent increase on the FY2025 distribution of 18.65 cents per BWP Trust Unit.

⁹ Capital Expenditure Commitments are subject to development approvals, board approvals and completion of legal documentation.

¹⁰ As at 31 December 2024.

¹¹ As at 31 December 2024, allowing for the agreed lease extensions to commence at the next anniversary of each current Bunnings Lease, except for the Chadstone lease which will commence at Implementation.

¹² As at 31 December 2024.

¹³ As at 31 December 2024, allowing for the agreed lease extensions to commence at the next anniversary of each current Bunnings Lease, except for the Chadstone lease which will commence at Implementation.

¹⁴ Estimated valuation uplift is based on management's assessment of comparable evidence of capitalisation rate movements. This assessment has been validated by an independent opinion from JLL, included in **Annexure 2**. This estimated valuation uplift is separate to the 30 June 2025 valuation update disclosed by BWP to the ASX on 27 June 2025.

- > **Capital Expenditure Commitments** – BWP and Bunnings have agreed to undertake store expansion capital expenditure at five Bunnings sites representing a development commitment from Bunnings of \$56 million, funded by BWP, with expansions to commence within three years of Implementation. This capital expenditure will be Rentalised at a funding rate equal to the five-year swap rate plus a margin of 200 basis points contributing to future rent and expected income growth for BWP.

Separately, BWP and Bunnings have each agreed to fund \$15 million (\$30 million in total) of additional network upgrade expenditure to upgrade ageing Bunnings sites to extend their useful life. This capital expenditure will not be Rentalised or result in associated rent adjustments.

- > **Platform for potential future growth** – following Implementation, new acquisitions should not require a material increase in internal management costs. New acquisitions currently result in an increase in management fees payable to Wesfarmers (as the current ultimate holding company of the BWP Management Entities), potentially limiting the ability to undertake acquisitions or lowering the returns of those acquisitions to BWP.
- > **Potential for diversified and incremental income streams** – while not a strategic driver of the Proposed Transaction, the Proposed Transaction enables the opportunity for BWP to diversify income streams through third party asset and fund management mandates.
- > **Continuity of senior management** – senior management will continue with BWP following Implementation with the Managing Director (Mark Scatena) having agreed to execute a new employment contract with BWP Operations to take effect if Implementation occurs.
- > **Market alignment** – BWP will align with the market standard for real estate investment trust (REIT) management structures. As of the date of this Prospectus, the top 10 Australian REITs by market capitalisation are internally managed and 90 per cent of the REITs by market capitalisation within the ASX 300 index are internally managed REITs. BWP is currently the 14th largest REIT by market capitalisation within the ASX 300 index.
- > **Improved market position** – potential increase in demand and liquidity of Stapled Securities from Investors who prefer internally managed REITs.
- > **Corporate governance benefits and Investor alignment** – expected enhanced accountability, transparency and Investor rights. Management will be employed and incentivised directly by BWP and Investors will have the ability to vote on the appointment and re-election of directors.
- > **Favourable Independent Expert's conclusion** – the Independent Expert has concluded that the Proposed Transaction, and the Future Related Party Dealings are **fair and reasonable and in the best interests of Investors** not associated with Wesfarmers.

More detail on the advantages of the Proposed Transaction can be found in **section 1.5** of the Prospectus.

Disadvantages and risks of the Proposed Transaction

- > **Disagree with conclusions** – you may disagree with the conclusions of the BWP Boards and/or the Independent Expert regarding the benefits of the Proposed Transaction.
- > **Change in risk profile for Investors** – the Proposed Transaction will change the risk profile for Investors through exposure to historical liabilities (if any) of BWPM and its subsidiary entities, dependency on key staff, and potential future exposure to new income streams, recognising that the BWP Boards have taken various steps to mitigate these risks.
- > **Management costs** – while the Proposed Transaction will remove the payment of management fees to Wesfarmers (as the current ultimate holding company of the BWP Management Entities) forecast to be \$22.0 million in the year ending 30 June 2026 (see “Responsible entity's fees” in **section 7.7**), the acquisition of the BWP Management Entities means that Investors are directly exposed to the ongoing operating costs of management, including the costs of staff, insurance and office premises (forecast to be \$9.6 million for the year ending 30 June 2026, see “Operating costs (internally managed)” in **section 7.7**). Should future expenses exceed expectations, some or all the expected benefits of the Proposed Transaction may not be realised.
- > **Gearing will increase** – the consideration paid to Wesfarmers will be partially funded by drawing down BWP's existing debt facilities, increasing BWP's pro forma gearing as at 31 December 2024 from 20.6¹⁵ per cent to 23.0¹⁶ per cent.
- > **Reduction in lease flexibility** – potential deferral of market rent reviews could impact growth, and longer term certain and option periods could delay realisation of alternate use benefits, should they exist and incur incremental capital expenditure.
- > **Pro forma NTA per security will reduce** – BWP's pro forma NTA per security as at 31 December 2024 will reduce from \$3.92 to \$3.79 reflecting the \$142.6 million¹⁷ paid by BWP Property Group to Wesfarmers being recognised as an intangible asset (which is excluded from NTA). The reduction in NTA is partially offset by the \$49.9 million¹⁸ estimated portfolio valuation uplift as a result of the Lease Reset and Extension.
- > **Separation from Wesfarmers** – management will transfer to BWP. However, BWP will have access to Wesfarmers' resources through the Transitional Services provided under the CASA, with Transitional Services varying in time from six months to five years, with BWP retaining the right to terminate these arrangements with six months' notice.
- > **Personal taxation position** – you may believe the impact on your personal taxation position outweighs the benefits of the Proposed Transaction, particularly should the value of the distribution of BWP Property Group Shares exceed the existing cost base of your BWP Trust Units giving rise to a capital gain.

More detail on the disadvantages and risks of the Proposed Transaction can be found in **sections 1.6** and **5** of the Prospectus, respectively.

¹⁵ Gearing (calculated as net debt / total tangible assets) as at 31 December 2024.

¹⁶ Pro forma gearing (calculated as net debt / total tangible assets) assuming the adjustments to BWP's financial position as a result of the Proposed Transaction to the statutory financial position as at 31 December 2024.

¹⁷ The majority of the Internalisation Purchase Price of \$142.6m is allocated to the pro forma balance sheet as an intangible asset. After adjusting for working capital and employee benefit liabilities acquired, the estimated value assigned to goodwill based on the purchase price of \$142.6 million is \$139.2 million (see **section 7.5** for further details).

¹⁸ Estimated valuation uplift is based on management's assessment of comparable evidence of capitalisation rate movements. This assessment has been validated by an independent opinion from JLL, included in **Annexure 2**. This estimated valuation uplift is separate to the 30 June 2025 valuation update disclosed by BWP to the ASX on 27 June 2025.

Continued support from Wesfarmers

Wesfarmers has been a BWP Trust Unitholder and the ultimate holding company of the manager of the BWP Trust since the BWP Trust's inception in 1998, and currently holds 22.3 per cent of BWP Trust Units. The relationship between Wesfarmers and BWP is positive and collaborative and it is expected that following Implementation, Wesfarmers will continue to be a supportive partner by:

- > providing the Transitional Services under the CASA;
- > being a substantial Investor, including via the subscription for 10,867,347 Consideration Securities issued at \$3.92 as part consideration for the Internalisation Purchase Price, therefore increasing its holding in BWP to 23.5 per cent; and
- > having the right to nominate a director to the BWP Property Group Board (and the BWPM Board, as the Stapling Deed requires the composition of the BWP Boards to be identical or substantially the same) provided that Wesfarmers and its associates continue to hold at least 15 per cent of the BWP Property Group Shares or the Stapled Securities.¹⁹

Overview of prospectus, notice of meeting and explanatory memorandum

The Notice of Meeting, and the Explanatory Memorandum to the Notice of Meeting, are issued by BWPM (as responsible entity of the BWP Trust) and set out the business of the Meeting, being the consideration of the three Resolutions. The Notice of Meeting and Explanatory Memorandum accompany the Prospectus.

The Prospectus is issued by BWP Property Group and relates to the distribution of BWP Property Group Shares to Investors at the Stapling Record Date, which are to be stapled to the BWP Trust Units. The Prospectus is issued by, and relates only to, BWP Property Group.

When considering the Proposed Transaction, Investors should refer to each of the Notice of Meeting, the Prospectus and the Explanatory Memorandum.

Distribution of BWP Property Group shares under the prospectus

Investors already have an interest in the assets of BWP, including the BWP Property Group Shares owned by BWPM (as responsible entity of the BWP Trust). By approving the Proposed Transaction, Investors will directly own the BWP Property Group Shares, and via their holdings in BWP Property Group, an interest in the BWP Management Entities.

The distribution of BWP Property Group Shares is conditional on Investors approving the Proposed Transaction at the Meeting and certain other Conditions being satisfied. No other action is required by Investors under the Prospectus. The Conditions are set out in full in **section 3.2** of the Prospectus.

Importantly:

- > no cash payment is required from Investors; and
- > no application form is required to be completed by Investors.

The distribution of the BWP Property Group Shares is an in-specie distribution authorised under the New BWP Trust Constitution and comprises a capital return valued at \$0.1922 per BWP Trust Unit.

Investors should consider the key terms of the Proposed Transaction, including key terms of the BWP Property Group Shares and the risks associated with an investment in BWP Property Group, that are detailed in **sections 4** and **5** of the Prospectus respectively.

Investors are to vote on the Proposed Transaction at a Meeting on Monday, 28 July 2025. Please refer to the Notice of Meeting, and Explanatory Memorandum to the Notice of Meeting, for details.

Conclusion

The Proposed Transaction is expected to result in increased income certainty through the long-term retention of a secure and high-quality covenant in Bunnings, continued scale, growth through tenant expansion and upgrade commitments, immediate distribution accretion and increased alignment and attractiveness to Investors given the structure simplification.

To assess the Proposed Transaction, external legal, tax, financial and accounting advisors were engaged, as well as the Independent Expert.

After careful consideration, the BWP Boards consider that the Proposed Transaction provides a compelling opportunity to create a unique, aligned and cost efficient internally managed real estate investment group with significant lease tenure, which will aim to continue generating attractive and predictable distributions for Investors.

The Non-Executive Directors unanimously recommend that you vote in favour of all Resolutions. The Non-Executive Directors, who are also Investors, will be voting in favour of all Resolutions to approve the Proposed Transaction.

I encourage you to vote in favour of the Proposed Transaction and, on behalf of BWP, I thank you for your continued support.

Yours faithfully,



Tony Howarth AO
Chair

BWP Management Limited ACN 082 856 424
as responsible entity for the BWP Trust ARSN 088 581 097
BWP Property Group Ltd ACN 688 059 074

¹⁹ See clause 8 of the Implementation Deed appended to BWP's 27 June 2025 Announcement.

Key Dates

Original Prospectus lodgement date	27 June 2025
Distribution ex date	27 June 2025
Distribution record date	30 June 2025
Despatch of Notice of Meeting and Explanatory Memorandum and Original Prospectus to Investors	2 July 2025
Prospectus lodgement date (being the lodgement date of this Prospectus)	8 July 2025
Proxy Form Return	10:00am AWST on 26 July 2025
Voting Record Date	10:00am AWST on 26 July 2025
Meeting of Investors to approve the Resolutions	10:00am AWST on 28 July 2025
If the Proposed Transaction is approved by Investors and all other Conditions in connection with the Proposed Transaction are fulfilled:	
Last day of ASX trading of BWP Trust Units	29 July 2025
Admission of BWP Property Group Shares to official list of ASX (to trade as part of the Stapled Securities)	30 July 2025
Stapled Securities commence trading on ASX on a deferred settlement basis	
Stapling Record Date	31 July 2025
Last day for registration of transfers of BWP Trust Units	
Stapling Commencement Date	
BWP Property Group Shares received by Investors	1 August 2025
Implementation Date (effective date of management internalisation)	
Last day of deferred settlement trading	1 August 2025
Stapled Securities commence trading on a normal (T+2) settlement basis	4 August 2025
Despatch of holding statements of Stapled Securities	4 August 2025

The timetable above is indicative only. Unless otherwise specified, all times and dates refer to AEST. BWP reserves the right to amend any or all of these dates and times subject to the Corporations Act, the Listing Rules and other applicable laws, or to withdraw the Proposed Transaction, without prior notice. Any amendment to the Proposed Transaction timetable will be announced to the market through ASX and posted on the website at <https://www.bwptrust.com.au/>.

The quotation and commencement of trading of the Stapled Securities is subject to confirmation from ASX.

Important notices and disclaimers

Background

BWP Management Limited ACN 082 856 424 (**BWPM**) is the responsible entity of the BWP Trust ARSN 088 581 097 (ASX:BWP) (**BWP Trust**). The BWP Trust is an ASX-listed real estate investment trust investing in and managing large format retail properties throughout Australia, with a focus on retail warehouses for its major tenant, Bunnings Group Limited ACN 008 672 179 (**Bunnings**) (**Business**).

The BWP Trust is currently externally managed by BWPM, which has been appointed as responsible entity of the BWP Trust since the BWP Trust's inception on 18 June 1998. 100 per cent of the shares in the capital of BWPM are ultimately owned by Wesfarmers Limited ACN 008 984 049 (ASX:WES) (**Wesfarmers**). Wesfarmers also owns approximately 22.3 per cent of the BWP Trust Units.

On 27 June 2025, the BWPM Board announced a proposal to internalise the management of BWP, restructure the terms of Bunnings Leases within the BWP property portfolio and undertake store expansion capital expenditure and network upgrade expenditure at certain Bunnings sites within the BWP property portfolio, subject to development approvals, board approvals and completion of legal documentation. In connection with the Proposed Transaction, Investors are to effectively acquire the BWP Management Entities (being BWPM and NPR Management Limited ACN 644 715 382 (**NPRM**)) via the acquisition by BWP Property Group Ltd ACN 688 059 074 (**BWP Property Group**) of BWPM. The existing listed entity, the BWP Trust, is to then become an internally-managed stapled vehicle, pursuant to which the existing BWP Trust Units are to be stapled to the BWP Property Group Shares. It is proposed that, if the stapling proceeds, the Stapled Securities (of BWP Trust and BWP Property Group, collectively the **Stapled Entities**) are to be listed on the Australian Securities Exchange (**ASX**) on a stapled basis under the BWP Trust's existing ticker 'BWP'.

NPRM is a wholly-owned subsidiary of BWPM and is the responsible entity or trustee (as applicable) of each of NPR Trust No.1, NPR Trust No.2, NPR Trust No.3 and NPR Trust No.4 (each an **NPR Sub-Trust** and together, the **NPR Sub-Trusts**). BWPM (in its personal corporate capacity) acquired NPRM and (in its capacity as responsible entity of the BWP Trust) acquired the NPR Sub-Trusts via its off-market takeover of NPR REIT during the 2024 financial year.

BWP Property Group was incorporated on 16 June 2025 and is currently a wholly-owned subsidiary of BWPM (as responsible entity of the BWP Trust). BWP Property Group is (and will continue to be until implementation of the Proposed Transaction (**Implementation**)) an entity that:

- > holds no assets or liabilities;
- > has no creditors;
- > has no employees; and
- > does not carry on any business.

What are the documents?

The Notice of Meeting, together with the Explanatory Memorandum to the Notice of Meeting (**Explanatory Memorandum**), provides information for Investors to consider and vote on the three resolutions (Resolutions) to approve the Proposed Transaction (**Resolutions**) at the BWP Trust Unitholder meeting to be held at 10:00am AWST on 28 July 2025 at Perth Convention & Exhibition Centre, Meeting Room 8, Level 2, 21 Mounts Bay Road, Perth WA 6000 (**Meeting**).

The Notice of Meeting should also be read with the Prospectus dated 8 July 2025 relating to the BWP Property Group Shares (**Prospectus**) that was lodged with the Australian Securities and Investments Commission (ASIC) on that date. The Prospectus is a replacement prospectus that replaces the prospectus dated 27 June 2025 (**Original Prospectus**) that was lodged with ASIC on that date.

The differences between this Prospectus and the Original Prospectus are:

- > the indicative timetable has been updated so that the "Stapling Commencement Date" and date on which the "BWP Property Group Shares are received by Investors" occur on 1 August 2025, rather than 31 July 2025, and the relevant flow through changes have been made to the Prospectus, as well as to the Explanatory Memorandum;
- > the Chair's Letter has been updated to identify:
 - > the forecast management fees that are no longer paid to Wesfarmers and to provide an annotated reference to the consolidated income statements at **section 7**, with similar updates being made in **sections 1.5.5** and **1.6.3** of the Prospectus, as well as to **section 1** of the Explanatory Memorandum; and
 - > that with respect to the Internalisation Purchase Price after adjustments, the estimated value assigned to goodwill based on the purchase price of \$142.6 million is \$139.2 million;
- > the Investment Overview at **section 2** of the Prospectus has been updated to provide additional disclosure in respect of BWP Property Group's business model or that of BWPM and how BWP Property Group will derive revenue substantially from BWPM and NPRM;
- > the Investment Overview at **section 2** of the Prospectus has been updated to include additional disclosures in respect of:
 - > key risks;
 - > related party transactions;
 - > the Conditions Precedent;
 - > the Independent Expert's Report;
- > the financial risk disclosure in **section 5B** of the Prospectus has been updated to clarify that BWP is exposed to but well-positioned from a financial risk perspective;

- > further information has been provided in respect of the Employee Incentive Plan in **section 9.8** of the Prospectus; and
- > the ASIC relief section at **section 10.5** has been updated to clarify that BWP has made an application to ASIC for modifications and exemptions in relation to the Corporations Act 2001 (Cth), rather than to state that ASIC is expected to grant an application.

The Notice of Meeting and Explanatory Memorandum are issued by BWPM (as responsible entity of the BWP Trust). Investors as at the Voting Record Date will have the right to vote on the Resolutions, subject to the voting exclusions set out in the Notice of Meeting.

The Prospectus is issued by BWP Property Group for the purposes of Chapter 6D of the Corporations Act. It provides Investors with information about the BWP Property Group Shares that will be distributed to Investors in connection with the Proposed Transaction.

BWP Property Group Shares will be distributed on the basis explained in the Prospectus after Implementation and, in any event, no BWP Property Group Shares will be distributed under the Prospectus more than 13 months after the date of the Prospectus.

It is important that you read the Prospectus carefully and, in its entirety, because it contains important information about an investment in BWP Property Group. In particular, you should pay careful consideration to the risk factors outlined in **section 5** and the tax implications in **section 8** of the Prospectus. Other risk factors, both known and unknown to BWP Property Group, may exist in addition to those identified in the Prospectus which should be considered in light of your personal circumstances. If you have any queries or uncertainties relating to aspects of the Prospectus or an investment in BWP Property Group, please consult your stockbroker, accountant or other independent professional advisor.

In preparing the Prospectus, regard has been had to the information Investors would reasonably expect to be contained in it, having regard to the information disclosed simultaneously in the Notice of Meeting and Explanatory Memorandum.

Investors should read each document carefully.

BWPM has prepared a Target Market Determination (**TMD**) in connection with the Implementation, which includes information about the class of investors for whom the Stapled Securities would likely be an appropriate investment, having regard to their objectives, financial situation and needs. The TMD is accessible at <https://www.bwptrust.com.au>.

What do investors need to do?

Investors should read the Prospectus, Notice of Meeting and Explanatory Memorandum before making a decision on how to vote on the Resolutions.

In particular, please make sure that you understand the information in the Prospectus and the Explanatory Memorandum about the Proposed Transaction and the Stapled Entities.

In general terms the Prospectus, Notice of Meeting and Explanatory Memorandum assume the successful Implementation of the Proposed Transaction. There is no express or implied representation in these documents that the Proposed Transaction can or will be fully Implemented as contemplated in these documents.

Once you have voted, you do not need to do anything else.

No investment advice – voting decisions and investment

The information contained in the Notice of Meeting, the Prospectus and the Explanatory Memorandum is not personal financial product advice and does not take into account the investment objectives, tax position, financial situation and particular needs of Investors.

Accordingly, before voting on the Resolutions you should read the Notice of Meeting, the Prospectus and the Explanatory Memorandum in full. It is recommended that before you make a decision in relation to the Resolutions, you should consult your financial or other professional advisors.

If Implementation occurs, an investment in the Stapled Entities will continue to be subject to investment and other risks, including possible loss of income and the principal invested. Neither BWPM (in its personal corporate capacity or as responsible entity of the BWP Trust) nor BWP Property Group provides any guarantee or assurance as to the performance of the Stapled Entities or the repayment of capital.

Responsibility statement

BWPM (as responsible entity of the BWP Trust) takes full responsibility for the contents of the Notice of Meeting and the Explanatory Memorandum, subject to the limitations set out below.

BWP Property Group takes full responsibility for the contents of the Prospectus, subject to the limitations set out below.

Deloitte Corporate Finance Pty Ltd ACN 003 833 127 (**Deloitte** or **Independent Expert**) has prepared the Independent Expert's Report set out in **section 3** of the Explanatory Memorandum. Deloitte takes responsibility for that report. Neither BWPM (in its personal corporate capacity or as responsible entity of the BWP Trust) nor BWP Property Group, nor any of their representatives, directors, officers, employees, agents or advisors assumes any of the Independent Expert's responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report, except to the extent that those parties are responsible for the factual information provided to Deloitte in the preparation of the Independent Expert's Report.

KPMG Financial Advisory Services (Australia) Pty Ltd ACN 007 363 215 (**KPMG**) has prepared the Limited Assurance Investigating Accountant's Report (annexed at **Annexure 1**) on the financial information set out in **section 7** of the Prospectus. KPMG takes responsibility for that report. Neither BWPM (in its personal corporate capacity or as responsible entity of the BWP Trust) nor BWP Property Group nor any of their representatives, directors, offices, employees, agents or advisors (other than KPMG) assumes any responsibility for the accuracy or completeness of the information contained in the Limited Assurance Investigating Accountant's Report.

Corrs Chambers Westgarth (**Corrs**) has prepared the taxation information set out in **section 8** of the Prospectus. Corrs takes responsibility for that information. Neither BWPM (in its personal corporate capacity or as responsible entity of the BWP Trust) nor BWP Property Group, nor any of their representatives, directors, officers, employees, agents or advisors (other than Corrs) assumes any responsibility for the accuracy or completeness of the information contained in **section 8** except to the extent that those parties are responsible for the factual information provided to Corrs in the preparation of the taxation information contained in **section 8**.

A copy of the Prospectus, Notice of Meeting and Explanatory Memorandum has been provided to the ASX. Neither the ASX, nor any of its officers take any responsibility for the contents of the Prospectus, Notice of Meeting and Explanatory Memorandum.

BWPM Board considerations and recommendations

BWPM is a wholly owned subsidiary of Wesfarmers. Wesfarmers is also a substantial holder in the BWP Trust and the ultimate owner of certain related party entities (including Bunnings) with which the BWP Trust transacts.

As sole shareholder of BWPM, Wesfarmers currently appoints the directors of BWPM.

In accordance with the corporate governance documents relating to BWPM (as responsible entity of the BWP Trust) and the BWP Trust, in preparing the Notice of Meeting and Explanatory Memorandum, the BWPM Board has ensured that its processes for making recommendations to Investors is consistent with requirements described in the corporate governance documents and that each of the directors is able to bring an independent judgement to bear on issues before the BWPM Board and to act in the best interests of the BWP Trust as a whole, including the Investors.

As officers of BWPM, the directors of BWPM are not able to meet the test for independence prescribed by the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations' (**ASXCGC Recommendations**) as it relates to the existence of relationships with any substantial holder (in many respects, because the BWP Trust is an externally managed listed entity, for which some of the ASXCGC Recommendations do not apply). However, in connection with the Proposed Transaction, the BWPM Board has considered:

- > any other material relationships of the directors of BWPM that may, or may reasonably be perceived to, impact each relevant director's decision-making independence as described under the ASXCGC Recommendations; and
- > the material relationships or interests of the directors of BWPM, that may, or may reasonably be perceived to, impact the 'external status' of each relevant director under section 601JA of the Corporations Act which applies to responsible entities of managed investment scheme.

In undertaking such assessment, the BWPM Board has considered all relevant facts and circumstances and has taken into account all relationships and interests that might be considered material from the perspective of the BWP Trust, the persons or organisations with which each relevant director is associated, and from the perspective of each relevant director. Overall, the BWPM Board is satisfied that all directors of BWPM bring an independent judgement in relation to the Proposed Transaction.

Following Implementation, each of the external directors of BWPM is expected to meet the test for independence prescribed by the ASXCGC Recommendations and will be considered independent directors.

For further information on the current 'external status' of each relevant director of BWPM, please refer to the [BWP Trust's corporate governance statement for 2024](#).

Forward-looking statements

The Prospectus and the Explanatory Memorandum contain forward-looking statements in relation to the financial performance and strategy of BWP. Those forward-looking statements are made only as at the date of the relevant document or as otherwise specified in the relevant document. These statements can be identified by the use of words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "predict", "guidance", "plan" and other similar expressions.

The statements contained in the Prospectus and the Explanatory Memorandum about the impact that the Resolutions may have on the BWP Trust's, BWP Property Group's or the Stapled Entities' operations, and the advantages and disadvantages which may result should the Resolutions be passed, are forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. All forward-looking statements in the Prospectus and the Explanatory Memorandum reflect the current expectations of BWPM and BWP Property Group, and their directors, concerning future results and events.

Preparation of these forward-looking statements was undertaken with due care and attention. However, forward-looking statements remain subject to known and unknown risks, uncertainties and other factors, many of which are beyond the control of BWPM and BWP Property Group and their directors, officers, employees, agents and advisors. Consequently, such factors may impact the performance of the BWP Trust, BWP Property Group and/or the Stapled Entities such that actual performance differs materially to any performance indicated in the forward-looking statements.

The Stapled Entities' actual results or operations and earnings following implementation or rejection of the proposed changes set out in the Prospectus and Explanatory Memorandum may differ significantly from those that are identified, in respect of timing, amount or nature, and may never be achieved.

The potential disadvantages and risks of the Proposed Transaction, including those described in **section 5** of the Prospectus, or other factors (which could be unknown, unpredictable or result from a variation in the assumptions underlying any forecasts), could cause actual results to differ materially from those expressed, implied or projected in any forward-looking statements or forecasts. No assurance can be provided that actual performance will accord with the guidance provided.

Subject to any continuing obligations under the Corporations Act, the Listing Rules or at law, BWPM (in its personal corporate capacity and as responsible entity of the BWP Trust) and BWP Property Group, and their directors, officers, employees, agents and advisors disclaim any obligation or undertaking to disseminate after the date of the Prospectus and Explanatory Memorandum any update or revisions to any forward-looking statements to reflect any change in expectations in relation to any of those statements or any change in circumstances, events or conditions on which any of those statements are based.

None of BWPM (in its personal corporate capacity and as responsible entity of the BWP Trust), BWP Property Group or any of their representatives, directors, officers, employees or advisors (including any employee of BWPM or any person named in the Prospectus or Explanatory Memorandum or any person involved in the preparation of it) gives any representation, assurance or guarantee (express or implied) that the results, performance or achievements expressed or implied by the forward-looking statements in the Prospectus or Explanatory Memorandum will actually occur. You are cautioned not to place undue reliance on those statements.

Lodgement and listing of prospectus

The Prospectus is dated 8 July 2025 and was lodged with ASIC on that date. The Prospectus is a replacement prospectus that replaces the Original Prospectus that was lodged with ASIC on 27 June 2025.

The BWP Trust Units will become stapled to BWP Property Group Shares and the Stapled Entities are to commence trading as a stapled group on the official ASX list. BWP Property Group will apply for the quotation of BWP Property Group Shares on ASX (as components of the Stapled Securities) within 7 days of the date of the Prospectus. Neither ASIC nor the ASX takes any responsibility for the contents of the Prospectus or the merits of the investment to which the Prospectus relates.

Prospectus availability

The Prospectus, Notice of Meeting and Explanatory Memorandum may be viewed online at <https://www.bwptrust.com.au/>. If you access the Prospectus, Notice of Meeting and Explanatory Memorandum electronically please ensure that you download and read the Prospectus, Notice of Meeting and Explanatory Memorandum in their entirety.

A paper form of the Prospectus can be obtained, free of charge, by contacting the toll-free Information Line on 1300 119 134 (within Australia) and +61 3 9415 4352 (outside Australia) between 8:30 am and 5:00 pm (AEST) on Business Days.

Updated information

Information regarding BWPM (as responsible entity of the BWP Trust), BWP Property Group or the BWP Trust may need to be updated from time to time. Any updated information about BWPM (as responsible entity of the BWP Trust), BWP Property Group or the BWP Trust that is considered materially adverse to Investors will be made available on BWP's website at <https://www.bwptrust.com.au/>. BWP Property Group will give a copy of the updated information free of charge to any Investor who requests a copy by contacting the toll free Information Line on 1300 119 134 (within Australia) and +61 3 9415 4352 (outside Australia) between 8:30 am and 5:00 pm (AEST) on Business Days.

In accordance with its obligations under the Corporations Act, BWP Property Group may issue a supplementary Prospectus to supplement any relevant information not disclosed in the Prospectus. You should read any supplementary disclosures made in conjunction with the Prospectus prior to deciding whether to approve the Proposed Transaction.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in the Prospectus and Explanatory Memorandum are subject to the effect of rounding.

Accordingly, the actual calculation of these figures, amounts, percentages, prices, estimates, calculations of value and fractions may differ from the figures, amounts, percentages, prices, estimates, calculations of value and fractions set out in the Prospectus and Explanatory Memorandum.

As a result, any calculations you make based on the figures, amounts, percentages, prices, estimates, calculations of value and fractions in the Prospectus and Explanatory Memorandum may differ from the correct answers to those calculations.

Any discrepancies between totals in tables or financial statements, or in calculations, graphs or charts are due to rounding.

Restrictions on distribution

The Prospectus, Notice of Meeting and Explanatory Memorandum do not in any way constitute an offer of, or an invitation to buy, securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

Distribution of the Prospectus, Notice of Meeting and Explanatory Memorandum outside of Australia (whether electronically or otherwise) may be restricted by law. Persons who receive the Prospectus, Notice of Meeting and Explanatory Memorandum outside of Australia are required to observe any such restrictions. Failure to comply with such restrictions may find you in violation of applicable securities laws.

No action has been taken to register or qualify the BWP Property Group Shares or otherwise permit a public offer of such securities in any jurisdiction outside Australia.

Based on the information available to BWPM (as responsible entity of the BWP Trust), Investors whose addresses are shown in the BWP Trust Register on the Stapling Record Date as being in the following jurisdictions will be entitled to have BWP Property Group Shares distributed to them subject to any qualifications set out below in respect of that jurisdiction:

- | | |
|---|---|
| > Canada; | > Singapore; |
| > China, where the BWP Trust Unitholder is a qualified domestic institutional investor, sovereign wealth fund or quasi-government investment fund, or a qualified investor that has obtained all necessary approvals; | > Switzerland; |
| > European Union; | > Taiwan; |
| > Hong Kong; | > Thailand; |
| > Indonesia; | > United Arab Emirates; |
| > Israel; | > United Kingdom; |
| > Japan; | > United States; and |
| > Malaysia; | > any other person or jurisdiction in respect of which BWPM (as responsible entity of the BWP Trust) and BWP Property Group reasonably believe that it is not prohibited and not unduly onerous or impractical to issue BWP Property Group Shares to a BWP Trust Unitholder with a registered address in such jurisdiction. |
| > New Zealand; | |
| > Norway; | |
| > Qatar; | |

Nominees, custodians and other Investors who hold BWP Trust Units on behalf of a beneficial owner resident outside Australia, Canada, member states of the European Union, Hong Kong, Indonesia, Israel, Japan, New Zealand, Malaysia, Norway, Qatar, Singapore, Switzerland, Taiwan, Thailand, the United Arab Emirates, the United Kingdom and the United States may not forward the Prospectus, Notice of Meeting and Explanatory Memorandum (or any accompanying document) to anyone outside these jurisdictions without the consent of BWPM (as responsible entity of the BWP Trust) and BWP Property Group, except nominees and custodians may forward the Prospectus, Notice of Meeting and Explanatory Memorandum to any beneficial owner in China who is: (i) a qualified domestic institutional investor as approved by the relevant regulatory authorities in the People's Republic of China (excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan) (**PRC**) to invest in overseas capital markets; (ii) a sovereign wealth fund or quasi-government investment fund that has the authorisation to make overseas investment; or (iii) another type of qualified investor that has obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

Canada

The Prospectus may be delivered, and the BWP Property Group Shares distributed, in Canada to existing Investors in reliance upon exemptions from the prospectus and registration requirements of the applicable Canadian securities law in each province and territory of Canada. No securities commission in Canada has reviewed or in any way passed upon the Prospectus or the merits of the Proposed Transaction.

People's Republic of China

The Prospectus does not constitute a public offer of securities, whether by way of sale or subscription, in the PRC. The BWP Property Group Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to (i) "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets; (ii) sovereign wealth funds or quasi-government investment funds that have the authorisation to make overseas investments; or (iii) other types of qualified investors that have obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

European Union

The Prospectus may be distributed in member states of the European Union only to existing Investors. The Prospectus has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, the Prospectus may not be made available, nor may the BWP Property Group Shares be offered for sale in the European Union, except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union.

Hong Kong

WARNING: the contents of the Prospectus have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Proposed Transaction. If you are in any doubt about any of the contents of the Prospectus, you should obtain independent professional advice.

The Prospectus does not constitute an offer or invitation to the public in Hong Kong to acquire an interest in or participate in a collective investment scheme. The Prospectus also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued the Prospectus in Hong Kong, other than to persons who are "professional investors" (as defined in the Securities and Futures Ordinance (**SFO**) and any rules made thereunder) or in other circumstances that do not result the Prospectus constituting an invitation to the public of Hong Kong for the purpose of the SFO.

Copies of the Prospectus may be issued to a limited number of persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of the Prospectus, or any offer or an invitation in respect of the Prospectus, to the public in Hong Kong. The Prospectus is for the exclusive use of Investors in connection with the Proposed Transaction, and no steps have been taken to register or seek authorisation for the issue of the Prospectus in Hong Kong.

The Prospectus is confidential to the person to whom it is addressed and no person to whom a copy of the Prospectus is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) the Prospectus to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with consideration by the person to whom the Prospectus is addressed.

Indonesia

A registration statement with respect to BWP Property Group Shares has not been, and will not be, filed with Otoritas Jasa Keuangan in the Republic of Indonesia. Therefore, BWP Property Group Shares may not be offered or sold to the public in Indonesia. Neither the Prospectus nor any other document relating to the Proposed Transaction may be circulated or distributed, whether directly or indirectly, in the Republic of Indonesia or to Indonesian citizens, corporations or residents, except in a manner that will not be considered as a "public offer" under the law and regulations of the Republic of Indonesia.

Israel

The Prospectus may be distributed in Israel only to existing Investors. The BWP Property Group Shares have not been registered, and no prospectus will be issued, under the Israeli Securities Law 1968. Accordingly, the BWP Property Group Shares will only be distributed to existing Investors and may not be offered and sold in Israel except pursuant to an applicable private placement exemption namely, any offer of securities will be made to no more than 35 offerees.

The Prospectus and any activities in connection with the Proposed Transaction shall not be deemed to be the provision of investment advice or investment marketing services. If any recipient in Israel of the Prospectus is not the intended recipient, such recipient should promptly return the documents to BWP Property Group.

The Prospectus has not been reviewed or approved by the Israeli Securities Authority in any way.

Japan

The Prospectus may be distributed in Japan only to existing Investors. The Prospectus does not constitute an offer of any securities in Japan. The BWP Property Group Shares have not been, and will not, be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (**FIEL**). Accordingly, the BWP Property Group Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to exemption from the registration requirements of, and in compliance with, the FIEL and any applicable laws and regulations of Japan.

Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been, or will be, obtained in relation to any offer of the BWP Property Group Shares. The BWP Property Group Shares may not be issued or transferred in Malaysia except to persons who are existing Investors in compliance with the Proposed Transaction.

New Zealand

The Prospectus is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. The offer of BWP Property Group Shares is being made to existing Investors in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 and, accordingly, the Prospectus may not contain all the information that a disclosure document is required to contain under New Zealand law.

Norway

The Prospectus may be distributed in Norway only to existing Investors. The Prospectus has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended. Accordingly, the Prospectus shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act.

The BWP Property Group Shares may not be offered or sold in Norway except in circumstances that do not result in a requirement for the registration or the publication of a prospectus under the Norwegian Securities Trading Act.

Qatar

The Prospectus is provided on an exclusive basis to the specifically intended recipient thereof upon that person's request and initiative, and for the recipient's personal use only.

Nothing in the Prospectus constitutes an offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or any attempt to do business as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre.

The Prospectus and any related document have not been reviewed, approved, registered or licensed by the Qatar Central Bank, the Qatar Financial Centre Regulatory Authority or any other regulator in the State of Qatar.

Recourse against BWP or others involved with the Proposed Transaction may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and the Qatar Financial Centre.

Any distribution of the Prospectus by the recipient to third parties in State of Qatar or the Qatar Financial Centre is not authorised and would be at the liability of such recipient.

Singapore

The Prospectus and any other document relating to the BWP Property Group Shares have not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore and the issuance of the BWP Property Group Shares is not regulated by any financial supervisory authority under any legislation in Singapore. Accordingly, statutory liabilities in connection with the contents of prospectuses under the Securities and Futures Act 2001 (**SFA**) will not apply.

The Prospectus and any other document in connection with the offer, sale or distribution, or invitation for subscription, purchase or receipt of BWP Property Group Shares may not be offered, sold or distributed, or be made the subject of an invitation for subscription, purchase or receipt, whether directly or indirectly, to persons in Singapore except pursuant to exemptions in Subdivision (4) Division 1, Part 13 of the SFA or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Any offer is not made to you with a view to BWP Property Group Shares being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

The Prospectus is being furnished to you on a confidential basis and solely for your information and may not be reproduced, disclosed, or distributed to any other person.

The investment referred to in the Prospectus may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investment. Nothing in the Prospectus constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you.

BWP Property Group is not in the business of dealing in securities or hold itself out or purport to hold itself out to be doing so. As such, BWP Property Group is neither licensed nor exempted from dealing in securities or carrying out any other regulated activities under the SFA or any other applicable legislation in Singapore.

Switzerland

The BWP Property Group Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither the Prospectus nor any other document relating to the BWP Property Group Shares constitutes a prospectus or a similar notice as such terms are understood pursuant to art. 35 of the Swiss Financial Services Act (FinSA) or the listing rules of any stock exchange or regulated trading facility in Switzerland.

Neither the Prospectus nor any other offering material relating to the BWP Property Group Shares has been, or will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, the Prospectus will not be filed with, and the issuance of BWP Property Group Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

The Prospectus may be distributed in Switzerland only to existing Investors. Neither the Prospectus nor any other offering material relating to the BWP Property Group Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Taiwan

The Proposed Transaction does not constitute a public offering of securities under the Taiwan Securities and Exchange Act. The Prospectus has not been, and will not be, registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan or other regulatory institution under the securities laws of Taiwan. The BWP Property Group Shares may not be offered or sold in Taiwan in any circumstance that would constitute an offer to the public under the Securities and Exchange Act.

The Prospectus may be distributed in Taiwan only to existing Investors. No person or entity in Taiwan has been authorized to offer, market or sell the BWP Property Group Shares in Taiwan.

Thailand

The Prospectus is not intended to be an offer, sale or invitation for subscription or purchase of securities in Thailand. The Prospectus has not been registered as a prospectus with the Office of the Securities and Exchange Commission of Thailand. Accordingly, the Prospectus and any other document relating to the offer, sale or invitation for subscription or purchase, of the BWP Property Group Shares may not be circulated or distributed, nor may the securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public of Thailand. The Prospectus may be distributed in Thailand only to existing Investors.

United Arab Emirates

The Prospectus does not constitute a public offer of securities in the United Arab Emirates and the BWP Property Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither the Prospectus nor the BWP Property Group Shares have been approved by the Securities and Commodities Authority or any other authority in the UAE.

The Prospectus may be distributed in the UAE only to existing Investors and may not be provided to any person other than the original recipient. Information about the Proposed Transaction may be found in the Prospectus, which is available on BWP's website. If a recipient of the Prospectus ceases to be an Investor at the time of subscription, then such person should discard the document and may not participate in the Proposed Transaction.

No marketing of the BWP Property Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market).

In the Abu Dhabi Global Market and the Dubai International Financial Centre, the BWP Property Group Shares may be offered, and the Prospectus may be distributed, only to existing Investors, as defined and in compliance with the market rules issued by the regulatory authorities in these financial zones. No regulatory authority has approved the Prospectus nor taken any steps to verify the information set out in it.

United Kingdom

Neither the information in the Prospectus, nor any other document relating to the BWP Property Group Shares has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the BWP Property Group Shares.

The Prospectus does not constitute an offer of transferable securities to the public within the meaning of the UK Prospectus Regulation or the FSMA. Accordingly, the Prospectus does not constitute a prospectus for the purposes of the Prospectus Regulation or the FSMA.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the BWP Property Group Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to BWP Property Group Ltd.

In the United Kingdom, the Prospectus is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, or (ii) to whom it may otherwise be lawfully communicated (together, **Relevant Persons**). The investments to which the Prospectus relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on the Prospectus or any of its contents.

United States

The Prospectus has not been filed with, or reviewed by, the US Securities and Exchange Commission or any US state securities authority and none of them has passed upon or endorsed the merits of the BWP Property Group Shares or the accuracy, adequacy or completeness of the Prospectus. Any representation to the contrary is a criminal offence.

The BWP Property Group Shares have not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any US state or other jurisdiction. The Proposed Transaction is not being made in any US state or other jurisdiction where it is not legally permitted to do so.

US Investors should note that the distribution of BWP Property Group Shares is made of securities of an Australian company in accordance with the laws of Australia and the listing rules of the Australian Securities Exchange. The distribution of BWP Property Group Shares is subject to disclosure requirements of Australia that are different from those of the United States.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws, since BWP Property Group and BWPM are located in Australia and most, if not all, of their officers and directors are residents of Australia. You may not be able to sue their respective officers or directors in Australia for violations of the US securities laws. It may be difficult to compel BWPM or BWP Property Group to subject themselves to a US court's judgment.

Neither BWP Property Group nor any of its directors, officers, employees, consultants, agents, partners or advisors accepts any liability or responsibility to determine whether a person is able to participate as an Investor in the BWP Property Group Shares.

Disclaimer

No person is authorised to give any information, or to make any representation, in connection with the Proposed Transaction that is not contained in the Prospectus, Notice of Meeting or Explanatory Memorandum.

Any information or representation that is not in the Prospectus, Notice of Meeting or Explanatory Memorandum may not be relied on as having been authorised by BWPM (in its personal corporate capacity or as responsible entity of the BWP Trust) or BWP Property Group (as applicable) in connection with the Proposed Transaction. Except as required by law, and only to the extent so required, neither BWPM (in its personal corporate capacity and as responsible entity of the BWP Trust) nor BWP Property Group, nor any other person, warrants or guarantees the future performance or liquidity of BWP Property Group, the BWP Trust, the Stapled Entities, the repayment of capital, or any return on BWP Property Group, the BWP Trust or the Stapled Entities.

Further questions

If you have any queries relating to aspects of the Notice of Meeting, the Prospectus or the Explanatory Memorandum please call the toll free Information Line on 1300 119 134 (within Australia) and +61 3 9415 4352 (outside Australia) between 8:30 am and 5:00 pm (AEST) on Business Days. Alternatively, you may contact BWPM (as responsible entity of the BWP Trust) or BWP Property Group via email at investorrelations@bwptrust.com.au.

Glossary

Unless otherwise defined in the Prospectus, Notice of Meeting or the Explanatory Memorandum (as applicable), terms and abbreviations used in the Notice of Meeting, Prospectus and Explanatory Memorandum have defined meanings which are set out in the Glossary annexed at **Annexure 4**.

For personal use only

PROSPECTUS BWP PROPERTY GROUP LTD

This is an important document and requires your immediate attention.

This Prospectus is issued in relation to the in-specie distribution of BWP Property Group Shares as part of the Proposed Transaction.

If you hold BWP Trust Units, you should read this Prospectus in full together with the relevant Notice of Meeting, and Explanatory Memorandum attached to the Notice of Meeting, before deciding whether or not to vote in favour of the Resolutions. If the Proposed Transaction is not approved, the BWP Property Group Shares will not be distributed to Investors, and Stapled Securities will not be issued.

This Prospectus is dated 8 July 2025

Issued by BWP Property Group Ltd ACN 688 059 074

The Prospectus is a replacement prospectus that replaces the Original Prospectus dated 27 June 2025 that was lodged with ASIC on that date.

Financial Advisor

HIGHBURY
— PARTNERSHIP —

Legal Advisor

**CORRS
CHAMBERS
WESTGARTH**

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1 Details of the Proposed Transaction

1.1 Background

BWPM is the responsible entity of the BWP Trust. The BWP Trust is an ASX-listed real estate investment trust investing in and managing large format retail properties throughout Australia, with a focus on retail warehouses for its major tenant, Bunnings. The BWP Trust listed on the ASX on 16 September 1998. The BWP Trust is currently externally managed by BWPM, which has been appointed as the responsible entity of the BWP Trust since the BWP Trust's inception on 18 June 1998.

On 27 June 2025, BWP announced that it had entered into the Implementation Deed with its ultimate holding company, Wesfarmers, regarding a proposal for:

- > the internalisation of the management functions of BWP (the Internalisation);
- > restructuring the terms of Bunnings Leases within the BWP property portfolio (the Lease Reset and Extension); and
- > store expansion expenditure commitments and network upgrade expenditure commitments at certain Bunnings sites within the BWP property portfolio (the Capital Expenditure Commitments).

In connection with the Proposed Transaction, Investors will effectively acquire the BWP Management Entities via the acquisition of BWPM by BWP Property Group. The BWP Management Entities comprise BWPM and NPRM, with NPRM being a wholly-owned subsidiary of BWPM and the responsible entity or trustee (as applicable) of each of the NPR Sub-Trusts. BWPM (in its capacity as responsible entity of the BWP Trust) acquired the NPR Sub-Trusts via its off-market takeover of NPR REIT during the 2024 financial year.

A diagram of the existing structure of BWP and the BWP Management Entities is set out below.

BWPM carries out the responsibilities of a responsible entity of the BWP Trust in accordance with the Corporations Act, including overseeing investment and asset management of the BWP Trust and its service providers, capital management, financial oversight and accounting, and liaison with investors.

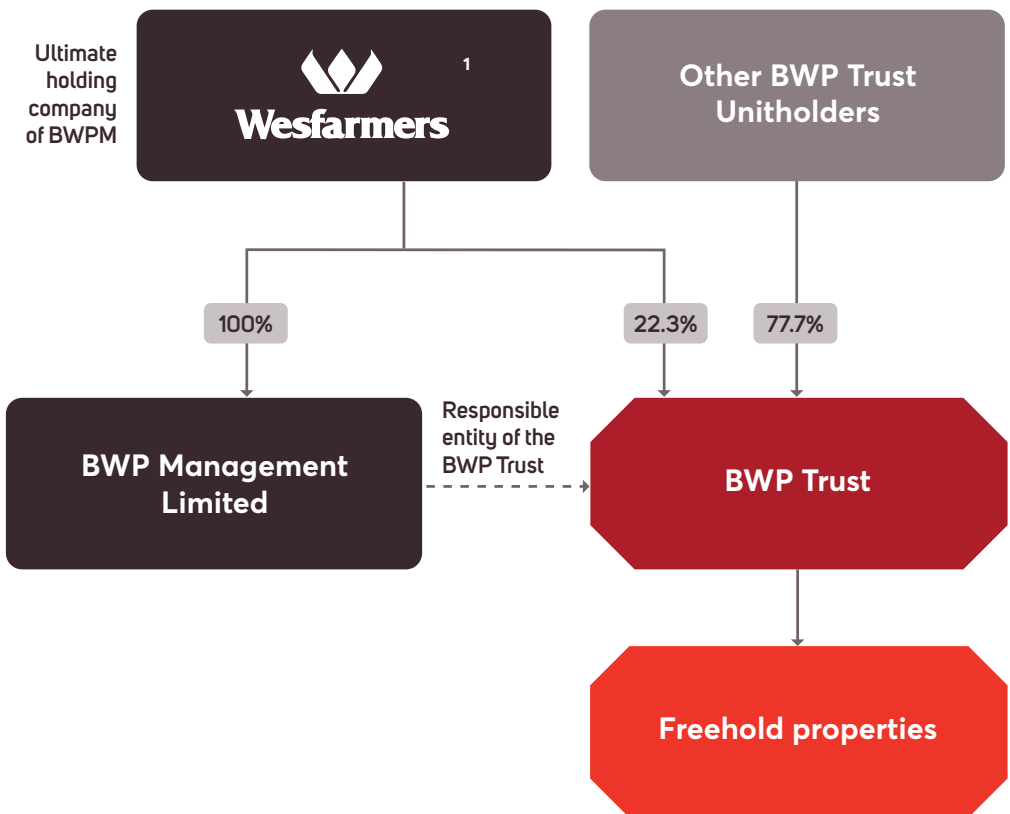
Similarly, NPRM carries out the responsibilities of a trustee/responsible entity (as applicable) of the NPR Sub-Trusts in accordance with the Corporations Act.

Wesfarmers is the entity which currently employs and makes available all staff relating to BWP (being 13 staff members).

The Proposed Transaction is subject to a number of Conditions (as set out in **section 3.2** of this Prospectus), including Investor approval.

Existing corporate structure

- - - RESPONSIBLE ENTITY
- OWNERSHIP
-  AUSTRALIAN REGISTERED COMPANY
-  AUSTRALIAN UNIT TRUST
-  AUSTRALIAN FREEHOLD PROPERTY



¹ Includes Wesfarmers Limited, as the holder of 100 per cent of Share capital in BWPM, and Wesfarmers Investments Pty Ltd as the holder of 22.3 per cent of the BWP Trust Units.

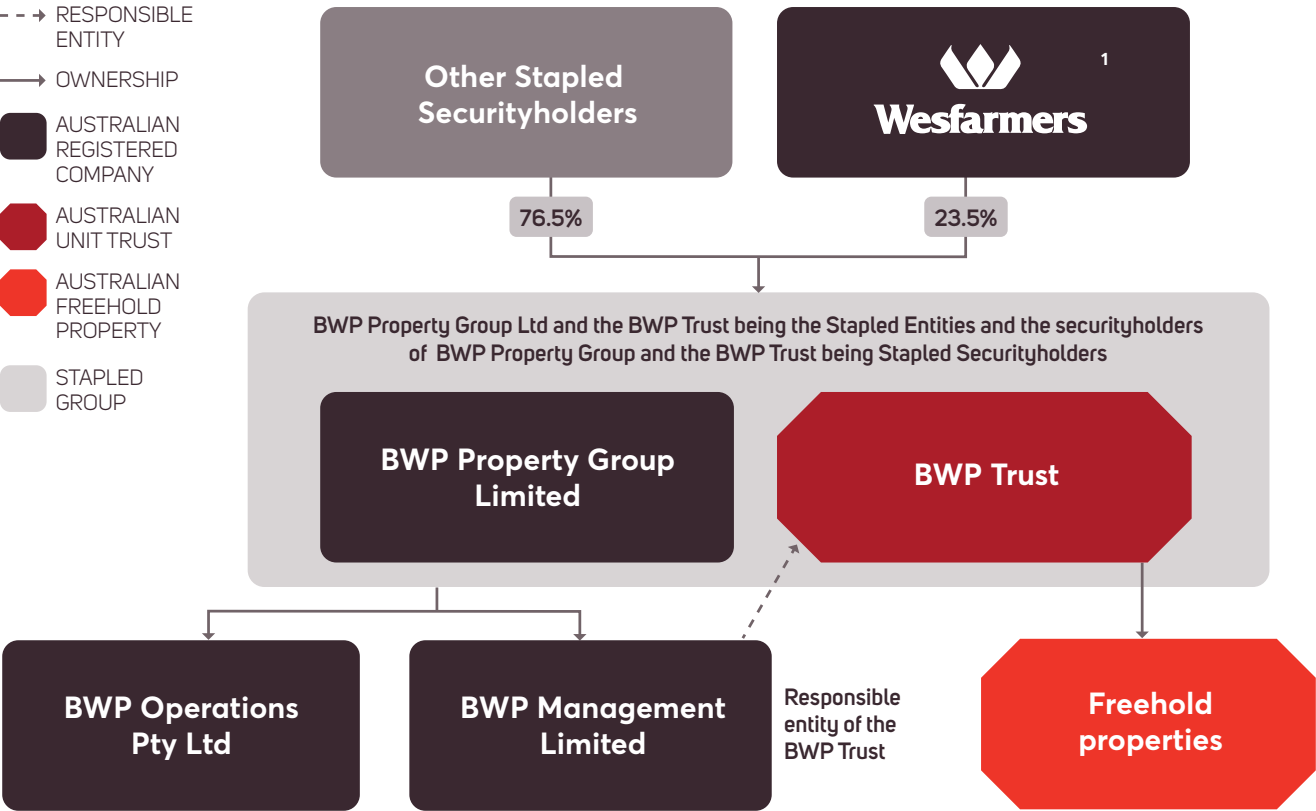
1.2 Required steps to effect implementation

The Proposed Transaction involves the following steps:

- > BWP Property Group issuing to BWPM (as responsible entity of the BWP Trust) such number of BWP Property Group Shares equal to the number of BWP Trust Units on issue as at the Stapling Record Date;
- > amending the Existing BWP Trust Constitution to facilitate the distribution of the BWP Property Group Shares, and the stapling and trading of the Stapled Securities on ASX (the BWP Property Group Constitution already allows for such a stapling). The BWP Property Group Shares and the BWP Trust Units will, on Implementation, trade on ASX as stapled securities. The Stapled Securities are to commence trading on ASX under the existing ticker 'BWP'; initially on a deferred settlement basis, with full trading expected to commence on or about 4 August 2025. Stapling is required because BWPM (as responsible entity of the BWP Trust) cannot own shares in itself due to legal restrictions. Stapling should also preserve BWP’s existing flow-through tax treatment;
- > BWPM (as responsible entity of the BWP Trust) will distribute to each Investor one BWP Property Group Share for each BWP Trust Unit the held on the record date. This will comprise a capital distribution of \$0.1922 per BWP Trust Unit. The receipt of the BWP Property Group Shares by Investors is to occur by way of an in-specie capital return and will not require Investors to contribute any additional money, nor lodge an application form;
- > BWP Property Group acquiring BWPM (together with its subsidiary entities) from Wesfarmers following which the Stapled Entities (and indirectly, the Investors) will own all the BWP Management Entities;
- > Wesfarmers providing the Transitional Services to BWP under the CASA, as further detailed in **section 10.2** of the Prospectus;
- > BWPM as responsible entity of the BWP Trust, NPRM (as responsible entity or trustee (as applicable) of the NPR Sub-Trusts and Bunnings restructuring 62 Bunnings Leases, as detailed further in **section 10.3** of this Prospectus;
- > BWP undertaking store expansion capital expenditure at five Bunnings sites within the BWP property portfolio, representing a development commitment of \$56 million from Bunnings, funded by BWP, with works to commence within three years of Implementation, as detailed further in **section 10.3** of this Prospectus and **section 1.5.7** of this Prospectus²⁰; and
- > BWP and Bunnings undertaking network upgrade expenditure at Bunnings sites within the BWP property portfolio representing a development commitment of \$30 million jointly funded by BWP and Bunnings (in equal proportions), with works to be completed within five years of Implementation, as detailed further in **section 1.5.7** of this Prospectus.

A diagram of the proposed structure of BWP following Implementation is set out below.

Corporate structure following implementation of the Proposed Transaction



1 Wesfarmers Investments Pty Ltd, as the holder of 23.5 per cent of the BWP Trust Units and 23.5 per cent of the BWP Property Group Shares.

20 The Capital Expenditure Commitments are subject to development approvals, board approvals and completion of legal documentation.

BWP Operations Pty Ltd (**BWP Operations**) is a newly incorporated entity that has been established for the purposes of acting as the operations entity for BWP on a go-forward basis. Each of the employees providing services to the Stapled Entities will ultimately be directly engaged by BWP Operations, and BWP Operations will ultimately be the entity that enters into various service-related contracts on behalf of BWP.

The key terms of the BWP Property Group Shares are set out **section 4** of the Prospectus. In particular, you should carefully consider the risk factors and the tax implications outlined in **sections 5** and **8** of the Prospectus respectively, as they relate to your personal investment objectives, financial circumstances and needs.

1.3 Strategy for BWP

The Proposed Transaction will not alter the strategy of BWP, which is described below.

BWP Trust's objective

The BWP Trust's primary objective is to provide Investors with a secure and growing income stream and potential for capital growth through leasing of properties, selective acquisitions and value enhancing development opportunities.

BWP Trust's strategic pillars and supporting principles

In delivering the BWP Trust's objective of providing Investors with a secure and growing income stream and long-term capital growth, BWP's key areas of focus align to three strategic pillars: portfolio optimisation, profitable growth and portfolio renewal.

To enable these strategic pillars, BWP prioritises commercial discipline, effective capital allocation and access, sustainability, and active and effective collaboration with key stakeholders.

BWP's three strategic pillars are summarised below.

- 1 **Portfolio optimisation** – optimising and leveraging the existing network while managing asset repurposing requirements.
- 2 **Profitable growth** – where it is feasible expanding the core portfolio and assessing adjacent growth segments and addressable markets.
- 3 **Portfolio renewal** – focusing on active value creation through capital recycling and reinvestment in growth initiatives to complement the core portfolio, while maintaining a strong and flexible balance sheet.

Underpinning the strategic pillars are three supporting principles summarised below.

- 1 **Operating excellence** – effective management of lease renewals and rent reviews and approved and planned developments.
- 2 **Capital structure** – proactive debt refinancing and capital management aligned to portfolio investment plans and acquisition target site identification.
- 3 **Asset management** – structured planned and unplanned maintenance and asset renewal and portfolio network planning via balance sheet leverage.

Operating model and business approach

As outlined above, BWP aims to provide Investors with a secure and growing income stream and long-term capital growth, achieved through strong alignment with, and support for, the ongoing property needs of its customers, while also responding to the needs of the local communities where BWP owns real estate. BWP seeks to invest in well located, geographically diversified properties with long-term leases to quality tenants, predominantly in the large format retail sector.

BWP's main source of income is the rent paid by Bunnings and other large format, national retail customers for leasing their respective premises from BWP. Rent is generally based on the area of the property leased by the customer and generally does not have reference to the customer's turnover at the premises. Growth in rental income typically comes from increases in rent from existing properties and acquiring additional leased properties. Rents from existing properties grow as a result of annual rent increases and periodic market reviews in accordance with the lease for the relevant property. Rental growth may also occur with upgrades to existing properties, which increase the lettable area, and repositioning of properties when vacancies occur.

The main items of expense for BWP are borrowing costs and the fees paid to the BWP Management Entities. The amount of borrowing costs relates to the level of borrowings BWP has from time to time, and the interest rates and funding costs associated with those borrowings. The level of management fees currently paid by BWP currently depends on the value of the gross assets of BWP over the relevant period.

BWP's assets are predominantly comprised of its investment properties, which are revalued every six months to their fair value based on market conditions and the circumstances of each particular property. Changes in the fair value of properties as a result of revaluations are recorded as an unrealised revaluation gain or loss for the relevant period and do not affect distributable profit. Borrowings to fund investment in properties are BWP's largest liability, with a preferred gearing range of 20 to 30 per cent of the value of BWP's total assets.

BWP's objective of providing Investors with a growing income stream and long-term capital growth will remain unchanged.

BWP Property Group's objectives

Following Implementation, BWP Property Group will own the BWP Management Entities and its primary objective will be to continue to hold the BWP Management Entities and deliver on the BWP Trust's strategy as set out above, recognising that the BWP Trust and BWP Property Group will be stapled, with common ownership.

1.4 Alternatives considered

In considering the Proposed Transaction and forming the view that the Proposed Transaction is in the best interests of Investors who are not associated with Wesfarmers, the BWPM Board considered alternative initiatives and the potential implications for Investors.

In particular, the BWPM Board considered the merits and risks of maintaining the existing arrangements under the Bunnings Leases, not committing to store expansion capital expenditure and network upgrade capital expenditure at certain Bunnings sites and maintaining BWPM (with Wesfarmers as BWPM's sole shareholder) as the BWP Trust's external manager. Whilst this scenario remains a viable alternative, this does not provide the benefits of the Proposed Transaction referenced above.

In particular:

- > it does not provide the increased BWP WALE from 4.4 years²¹ to 8.0 years²², nor increase the Bunnings WALE from 4.6 years²³ to 9.5 years²⁴;
- > it does not provide the expected distribution accretion, increased certainty of future rent and the retention of a strongly performing tenant (Bunnings) in an attractive industry structure;
- > it may constrain the growth of BWP due to the fact that the cost of any new acquisition is currently increased by an increase in fees payable to Wesfarmers (as the current ultimate holding company of the BWP Management Entities) and hence BWP's cost of capital will likely remain higher than if the Proposed Transaction was to proceed; and
- > it would not produce the corporate governance benefits and investor alignment that result from the Proposed Transaction.

Should any further alternative proposal be received by BWP prior to the Meeting, the BWPM Board will consider that alternative proposal having regard to the best interests of Investors and take appropriate actions.

1.5 Advantages of the Proposed Transaction

This section is not intended to set out all the relevant advantages for Investors in relation to the Proposed Transaction. It should be read in conjunction with the other sections of this Prospectus and Explanatory Memorandum.

1.5.1 Tenant retention and tenant quality continuation

The Proposed Transaction secures a strong and highly capable national retailer, Bunnings, for additional term certain ensuring continued covenant strength.

1.5.2 Income certainty

The Proposed Transaction provides increased certainty of future rent, with Bunnings' medium-term vacancy, and any associated income risk, removed.

1.5.3 Longer weighted average lease expiries

As part of the Lease Reset and Extension, the term certain on 62 Bunnings Leases will be extended resulting in an increase to BWP's WALE from 4.4 years²⁵ to 8.0 years²⁶, with the Bunnings WALE more than doubling from 4.6²⁷ years to 9.5 years.²⁸

1.5.4 Expected valuation uplift from lease reset and extension

The increased WALE provides greater income certainty and is estimated to result in a \$49.9 million²⁹ uplift to property valuations, reflected by a compression in the weighted average capitalisation rate of 8 basis points to 5.35 per cent.

1.5.5 Lower operating costs

With the removal of the management fee payable by BWP to Wesfarmers (as the current ultimate holding company of the BWP Management Entities) forecast to be \$22.0 million in the year ending 30 June 2026 (see "Responsible entity's fees" in **section 7.7**), and the internalisation of BWP's operating expenses (forecast to be \$9.6 million for the year ending 30 June 2026, see "Operating costs (internally managed)" in **section 7.7**), BWP's cost of doing business will be reduced, potentially lowering BWP's cost of capital and increasing BWP's competitiveness in bidding on new investments.

1.5.6 Distribution accretion

The Proposed Transaction is forecast to be accretive to FY2026 distributions. Excluding the Proposed Transaction, BWP's FY2026 distribution is forecast to be 19.03 cents per BWP Trust Unit (including capital profits of \$5.6 million), reflecting 2.0 per cent growth on FY2025. Following Implementation of the Proposed Transaction, BWP's distribution forecast for FY2026 is 19.41 cents per BWP Stapled Security (including capital profits of \$5.6 million). This reflects 2.0 per cent accretion to the FY2026 distribution pre-Implementation, and 2.3 per cent accretion on a pro forma full year basis. BWP's distribution forecast of 19.41 cents per BWP Stapled Security represents a 4.1 per cent increase on the FY2025 distribution of 18.65 cents per BWP Trust Unit.

21 As at 31 December 2024.

22 As at 31 December 2024, allowing for the agreed lease extensions to commence at the next anniversary of each current Bunnings Lease, except for the Chadstone lease which will commence at Implementation.

23 As at 31 December 2024.

24 As at 31 December 2024, allowing for the agreed lease extensions to commence at the next anniversary of each current Bunnings Lease, except for the Chadstone lease which will commence at Implementation.

25 As at 31 December 2024.

26 As at 31 December 2024, allowing for the agreed lease extensions to commence at the next anniversary of each current Bunnings Lease, except for the Chadstone lease which will commence at Implementation.

27 As at 31 December 2024.

28 As at 31 December 2024, allowing for the agreed lease extensions to commence at the next anniversary of each current Bunnings Lease, except for the Chadstone lease which will commence at Implementation.

29 Estimated valuation uplift is based on management's assessment of comparable evidence of capitalisation rate movements. This assessment has been validated by an independent opinion from JLL, included in **Annexure 2**. This estimated valuation uplift is separate to the 30 June 2025 valuation update disclosed by BWP to the ASX on 27 June 2025.

1.5.7 Capital expenditure commitments from Bunnings funded by BWP

BWP and Bunnings have agreed, subject to development approvals, board approvals and completion of legal documentation, to undertake store expansion capital expenditure at five Bunnings sites representing a total of \$56 million in expansion capital expenditure, with works to commence within three years of Implementation. This capital expenditure will be Rentalised at a funding rate equal to the five-year swap rate plus a margin of 200 basis points, with this increased rent to contribute to future rental growth for BWP. A breakdown of the capital expenditure commitment by property can be seen below.

Property

Capital expenditure commitment³⁰

Balcatta, WA \$15 million



Gladstone, QLD \$3 million



Maitland, NSW \$25 million



Nunawading, VIC \$3 million



Smithfield, QLD \$10 million



Total \$56 million

Separately, BWP and Bunnings have each committed to fund \$15 million (\$30 million total) to upgrade ageing Bunnings sites to extend their useful life. This capital expenditure commitment will not be Rentalised and is to be completed within five years of Implementation.

30 The Capital Expenditure Commitments are subject to development approvals, board approvals and completion of legal documentation.

1.5.8 Platform for potential future growth

Whilst property acquisitions currently result in an increase in management fees payable to Wesfarmers (as the current ultimate holding company of the BWP Management Entities) and hence lower the returns of those acquisitions to BWP, upon implementation of the Proposed Transaction, acquisitions will not incur material internal management costs and hence are expected to benefit from lower costs relative to the existing external management arrangements.

1.5.9 Potential for diversified and incremental income streams

While not a strategic driver of the Proposed Transaction, the Proposed Transaction enables the opportunity for BWP to diversify income streams through third party asset and fund management mandates.

1.5.10 Continuity of senior management

Senior management will continue with BWP following Implementation, with the Managing Director (Mark Scatena) having agreed to execute a new employment contract with BWP Operations to take effect if Implementation occurs.

1.5.11 The Proposed Transaction brings BWP in line with what is regarded as A-REIT 'Industry Standard'

Since 2004, there has been a trend towards internalising the management of Australian REITs and eliminating external management fees, which has generally been pursued to remove perceived conflicts, align interests between boards, management and investors, and enhance corporate governance practices through improved transparency and securityholder rights.

In January 2004, six of the top 10 Australian REITs by market capitalisation were externally managed. From mid-2004 several internalisations occurred, some of which were through mergers and acquisitions.

The rationale for these management internalisations aligns with the reasons identified for the Proposed Transaction in the Explanatory Memorandum and this Prospectus.

As of the date of this Prospectus, the top 10 Australian REITs by market capitalisation are internally managed and 90 per cent of the REITs by market capitalisation within the ASX 300 index are internally managed REITs. BWP is currently the 14th largest REIT by market capitalisation within the ASX 300 index.

1.5.12 The Proposed Transaction aims to increase investor interest

The Proposed Transaction has the potential to strengthen BWP's market position by increasing the breadth of Investor participation given the market's preference for an internally managed structure.

The Proposed Transaction will provide a larger and fully integrated platform, increasing capacity to deliver returns and opportunities for Investors, arising primarily from the fact that acquisitions will no longer need to factor in an increase in management fees. Currently any increase in the valuation of assets under management also automatically increases fees payable to Wesfarmers (as the current ultimate holding company of the BWP Management Entities).

The Proposed Transaction may also enhance the opportunities for BWP to partner with third party capital providers on large format retail acquisitions.

Beyond this, some Investors may prefer investing in internally managed REITs. Implementation may therefore drive increases in the demand and liquidity of Stapled Securities.

1.5.13 Corporate governance benefits and investor alignment

The Proposed Transaction is expected to enhance accountability, transparency and Investor rights. Management will be employed and incentivised directly by BWP. At each annual general meeting of BWP Property Group, Investors will have the ability to vote on the appointment and re-election of directors (excluding the Managing Director) and to vote on the remuneration structure and pay outcomes. It is anticipated that the first annual general meeting of BWP Property Group will be held within 18 months after BWP Property Group's registration.

1.5.14 The Independent Expert has concluded that the Proposed Transaction and future related party dealings are fair and reasonable and in the best interests of investors not associated with Wesfarmers

The BWP Boards commissioned Deloitte to prepare an Independent Expert's Report to consider the Proposed Transaction. The Independent Expert has concluded that the Proposed Transaction, and the Future Related Party Dealings are **fair and reasonable and in the best interests** of investors not associated with Wesfarmers.

A full copy of the Independent Expert's Report, which you are encouraged to read in full, is set out in **section 3** of the Explanatory Memorandum.

1.6 Disadvantages and risks of the Proposed Transaction

This section is not intended to set out all the relevant issues for Investors in relation to the Proposed Transaction. It should be carefully read in conjunction with the other sections of this Prospectus and the separate Explanatory Memorandum.

1.6.1 You may disagree with the conclusions of the BWP Boards and/or the Independent Expert about the Proposed Transaction's benefits

You may disagree with the conclusion of the BWP Boards that the Proposed Transaction is in the best interests of Investors not associated with Wesfarmers.

Alternatively, you may disagree with the conclusion of the Independent Expert that the Proposed Transaction and the Future Related Party Dealings are fair, reasonable and therefore in the best interests of Investors not associated with Wesfarmers.

1.6.2 Implementation may change the risk profile for investors

The Proposed Transaction may change the risk profile for Investors. Post Implementation Investors may be exposed to the historical liabilities (if any) of BWPM and its subsidiary entities. These risks and the mitigating steps taken by each of the BWP Boards to address these risks are discussed in greater detail in **section 5** of this Prospectus.

1.6.3 Management costs

While the Proposed Transaction will remove the payment of management fees to Wesfarmers (as the current ultimate holding company of the BWP Management Entities) forecast to be \$22.0 million in the year ending 30 June 2026 (see "Responsible entity's fees" in **section 7.7**), the acquisition of the BWP Management Entities will mean that Investors are directly exposed to the ongoing operating costs of the management of BWP, including the costs of staff, insurance and office premises (forecast to be \$9.6 million for the year ending 30 June 2026, see "Operating costs (internally managed)" in **section 7.7**). Should future expenses exceed expectations, some or all the expected benefits of the Proposed Transaction may not be realised.

1.6.4 Consideration paid to Wesfarmers will be partially funded from the drawing down of BWP's existing debt facilities, increasing BWP's gearing

The consideration paid to Wesfarmers will be partially funded by drawing down BWP's existing debt facilities, increasing BWP's pro forma gearing from 20.6³¹ per cent to 23.0³² per cent.

Following Implementation, the BWP Boards will continue to have a strong focus on maintaining the balance sheet strength and flexibility of BWP, which may include various capital management and portfolio management initiatives, as appropriate.

1.6.5 Reduced lease flexibility

There is the possibility that deferral of market rent reviews could delay the benefits of higher market rents, and longer term certain and additional option periods could delay realisation of alternate use benefits, should these exist or emerge over time.

1.6.6 NTA Per security is expected to reduce

BWP's pro forma NTA per security as at 31 December 2024 will reduce from \$3.92 to \$3.79 reflecting the \$142.6 million³³ paid by BWP Property Group to Wesfarmers being recognised as an intangible asset (which is excluded from NTA). The reduction in NTA is partially offset by the \$49.9 million³⁴ estimated portfolio valuation uplift as a result of the Lease Reset and Extension reflecting the 8 basis points capitalisation rate compression largely in view of the extended WALE.

1.6.7 Separation from Wesfarmers

Management will transfer to BWP. However, BWP will have access to Wesfarmers' resources through the Transitional Services to be provided under the CASA, with Transitional Services varying in time from two to five years, with BWP retaining the right to terminate these arrangements with six months' notice.

Following Implementation, Wesfarmers will:

- > be a substantial Investor with its holding in BWP increasing to 23.5 per cent should Implementation occur (from its current holding of 22.3 per cent); and
- > have the right to nominate a director to the BWP Property Group Board (and the BWPM Board, as the Stapling Deed requires the composition of the BWP Boards to be identical or substantially the same) provided that Wesfarmers and its associates continue to hold at least 15 per cent of the BWP Property Group Shares or the Stapled Securities.³⁵

1.6.8 Personal taxation position

You may assess that the impact of the Proposed Transaction on your personal taxation position outweighs the benefits of the Proposed Transaction, particularly should the value of the in-specie distribution of BWP Property Group Shares exceed the existing cost base of your BWP Trust Units giving rise to a capital gain.

1.7 Implications if the Proposed Transaction is approved

From a corporate structure perspective, if the Proposed Transaction is Implemented:

- > the BWP Trust Units will become a component of the Stapled Securities and continue to trade on ASX under the existing ticker 'BWP';
- > through their holding of Stapled Securities, Investors will own BWP Property Group and its subsidiary entities (including the BWP Management Entities); and
- > the BWP Management Entities will continue to provide management functions to BWP.

From a corporate governance perspective, if the Proposed Transaction is Implemented:

- > any potential or perceived conflict of interest between the BWP Management Entities and Investors will be removed through separation of ownership from Wesfarmers (as the current ultimate holding company of the BWP Management Entities). This will facilitate an alignment of interests between the ownership and management of the assets of BWP;
- > continuity and composition of the BWPM Board and management will be maintained;

31 Gearing (calculated as net debt / total tangible assets) as at 31 December 2024.

32 Pro forma gearing (calculated as net debt / total tangible assets) assuming Implementation as at 31 December 2024.

33 The purchase price of \$142.6m is allocated to the pro forma balance sheet as an intangible asset. After adjusting for working capital and employee benefit liabilities acquired, the estimated value assigned to goodwill based on the purchase price of \$142.6 million is \$139.2 million (see **section 7.2.3** for further details).

34 Estimated valuation uplift is based on management's assessment of comparable evidence of capitalisation rate movements. This assessment has been validated by an independent opinion from JLL, included in **Annexure 2**. This estimated valuation uplift is separate to the 30 June 2025 valuation update disclosed by BWP to the ASX on 27 June 2025.

35 See clause 8 of the Implementation Deed appended to BWP's 27 June 2025 Announcement.

- > Investor rights will be enhanced through the ability to periodically appoint or remove directors (excluding the Managing Director) of BWP Property Group (including the board of directors of BWPM, as the Stapling Deed requires the composition of the BWP Boards to be identical or substantially the same), and the Proposed Transaction will provide Investors with the ability to lodge an advisory vote whether to approve the annual remuneration report of BWP Property Group. It is anticipated that the first annual general meeting of BWP Property Group will be held within 18 months after BWP Property Group's registration. At the first annual general meeting, Investors will be able to vote on the appointment of the directors (excluding the Managing Director) of BWP Property Group and on the appointment of the proposed auditor of BWP Property Group; and
- > Wesfarmers will have the right to nominate a director to the BWP Property Group Board (and the BWPM Board, as the Stapling Deed requires the composition of the BWP Boards to be identical or substantially the same) provided that Wesfarmers and its associates continue to hold at least 15 per cent of the BWP Property Group Shares or Stapled Securities.³⁶

From a financial perspective, if the Proposed Transaction is Implemented:

- > BWP will no longer pay management fees to Wesfarmers (as the current ultimate holding company of the BWP Management Entities);
- > consideration will be paid to Wesfarmers valued at approximately \$142.6 million (the Internalisation Purchase Price) for the acquisition of all the issued shares in the capital of BWPM;
- > the Proposed Transaction is forecast to be accretive to FY2026 distributions. Excluding the Proposed Transaction, BWP's FY2026 distribution is forecast to be 19.03 cents per BWP Trust Unit (including capital profits of \$5.6 million), reflecting 2.0 per cent growth on FY2025. Following Implementation of the Proposed Transaction, BWP's distribution forecast for FY2026 is 19.41 cents per BWP Stapled Security (including capital profits of \$5.6 million). This reflects 2.0 per cent accretion to the FY2026 distribution pre-Implementation, and 2.3 per cent accretion on a pro forma full year basis. BWP's distribution forecast of 19.41 cents per BWP Stapled Security represents a 4.1 per cent increase on the FY2025 distribution of 18.65 cents per BWP Trust Unit;
- > the consideration paid to Wesfarmers will be partially funded by drawing down BWP's existing debt facilities, increasing BWP's pro forma gearing from 20.6³⁷ per cent to 23.0³⁸ per cent; and
- > BWP's pro forma NTA per security as at 31 December 2024 will reduce from \$3.92 to \$3.79 reflecting the \$142.6 million³⁹ paid by BWP Property Group to Wesfarmers being recognised as an intangible asset (which is excluded from NTA). The reduction in NTA is partially offset by the \$49.9 million⁴⁰ estimated portfolio valuation uplift as a result of the Lease Reset and Extension.

See **section 7** of this Prospectus for further detail on the financial impact of the Proposed Transaction.

1.8 Implications if the Proposed Transaction is not approved

If Implementation does not occur:

- > Investors will not enjoy the benefits of the Proposed Transaction;
- > BWPM will remain as responsible entity of the BWP Trust;
- > NPRM will remain as responsible entity or trustee (as applicable) of the relevant NPR Sub-Trusts;
- > the directors of BWPM will remain the same;
- > the BWP Trust Units will continue to trade on ASX;
- > BWPM (as responsible entity of the BWP Trust) will continue to hold the shares in BWP Property Group and BWP Operations, which are likely to be non-operational entities and as such may be de-registered;
- > BWP will continue to pay external management fees to the BWP Management Entities (which are ultimately owned by Wesfarmers);
- > the Bunnings Leases will remain unchanged and Investors will not enjoy the benefits of the Lease Reset and Extension;
- > all employees of the Business will remain employed by Wesfarmers or a Related Body Corporate of Wesfarmers;
- > BWP will incur approximately \$3.3 million of transaction costs (including legal, accounting and Independent Expert costs) in relation to the Proposed Transaction; and
- > the distribution forecast for FY2026 will be lower.

³⁶ See clause 8 of the Implementation Deed appended to BWP's 27 June 2025 Announcement.

³⁷ Gearing (calculated as net debt / total tangible assets) as at 31 December 2024.

³⁸ Pro forma gearing (calculated as net debt / total tangible assets) assuming Implementation at 31 December 2024.

³⁹ The purchase price of \$142.6m is allocated to the pro forma balance sheet as an intangible asset. After adjusting for working capital and employee benefit liabilities acquired, the estimated value assigned to goodwill based on the purchase price of \$142.6 million is \$139.2 million (see **section 7.2.3** for further details).

⁴⁰ Estimated valuation uplift is based on management's assessment of comparable evidence of capitalisation rate movements. This assessment has been validated by an independent opinion from JLL, included in **Annexure 2**. This estimated valuation uplift is separate to the 30 June 2025 valuation update disclosed by BWP to the ASX on 27 June 2025.

2 Investment overview

This section summarises the key features of the distribution of the BWP Property Group Shares that is to occur pursuant to this Prospectus. As this is only a summary, Investors should read the Prospectus and the Explanatory Memorandum in their entirety.

2.1 Key features

What are the securities being distributed under this prospectus?

The securities being distributed under this Prospectus are BWP Property Group Shares.

Currently, BWPM (as responsible entity of the BWP Trust) owns all the BWP Property Group Shares. Investors currently have an indirect beneficial interest in the BWP Property Group Shares owned by BWPM (as responsible entity of the BWP Trust). If the Proposed Transaction is Implemented, the BWP Property Group Shares will be distributed to Investors by way of an in-specie capital return so that each Investor holds one BWP Property Group Share for each BWP Trust Unit.

The BWP Property Group Shares will then be stapled to the BWP Trust Units to form the Stapled Securities, and will together be quoted and trade on ASX as a single security under the ASX ticker 'BWP'.

The rights attaching to BWP Property Group Shares are set out in the BWP Property Group Constitution and are regulated by the Corporations Act, the Listing Rules and general law. The key terms of the BWP Property Group Shares are described in detail in **section 4** of this Prospectus.

How many BWP Property Group shares will be distributed and to whom?

Investors will receive one BWP Property Group Share for each BWP Trust Unit they hold at the Stapling Record Date.

BWP Property Group Shares will only be distributed:

- > to Investors on the BWP Trust Register at the Stapling Record Date;
- > if the Proposed Transaction is approved by Investors; and
- > if the Conditions to Implementation are all satisfied or waived by the Implementation Date.

What consideration is payable for the BWP Property Group shares?

Investors are not required to pay any consideration for the BWP Property Group Shares. Investors are also not required to complete an application form for the BWP Property Group Shares. The BWP Property Group Shares are being distributed to Investors under the terms of the New BWP Trust Constitution by way of an in-specie capital return.

Why are BWP Property Group Shares being distributed?

It is not legally possible for BWPM (as responsible entity of the BWP Trust) to directly own BWPM and its subsidiary entities. In addition, if BWP were to own the BWP Management Entities, this may affect the tax status of BWP. Accordingly, for Investors to effectively acquire the BWP Management Entities, it has been necessary to establish an entity, BWP Property Group, to be owned by Investors which can then acquire and hold the BWP Management Entities.

The distribution of BWP Property Group Shares under this Prospectus provides Investors with ownership of BWP Property Group (and ultimately ownership of the BWP Management Entities). These BWP Property Group Shares will then be stapled to the BWP Trust Units so that they will trade together as a combined economic group.

Are there any conditions to the distribution and issue of BWP Property Group shares?

Yes. The distribution and issue of BWP Property Group Shares (and the Proposed Transaction more generally) is conditional on and subject to a number of Conditions that must be satisfied or waived, as applicable, by the Implementation Date. The Conditions are set out in full in **section 3.2** of this Prospectus, and include Resolution 1 being passed by the Investors and each of ASIC and ASX issuing or providing the consents, waivers and approvals, and doing other such acts, as are necessary to implement the Proposed Transaction.

What are the risks associated with an investment in BWP Property Group shares?

Investors should refer to **section 5** of this Prospectus for a detailed overview of the risks associated with the Proposed Transaction (and an investment in BWP Property Group Shares). The risks include exposure to unknown historic liabilities, the reliance on retaining and attracting quality senior management and staff to operate BWP, potentially higher operating costs, adherence to AFSL requirements and leverage to Wesfarmers and Bunnings continuing to pay rent as the largest tenant within the portfolio.

What are the related party transactions?

As part of the Proposed Transaction, BWP proposed to enter into the Share Sale and Subscription Deed and CASA which are related party agreements with Wesfarmers, and Lease Variation and Implementation Deed which is a related party agreement with Bunnings and NPRM. Investors should refer to **sections 10.1.3, 10.2 and 10.3** of this Prospectus for a detailed overview of the related party transactions associated with the Proposed Transaction.

What does the independent expert report say?

The Independent Expert has considered the Related Party Dealings and has concluded that the Proposed Transaction, and the Future Related Party Dealings are **fair and reasonable and in the best interests** of investors not associated with Wesfarmers.

A full copy of the Independent Expert's Report, which you are encouraged to read in full, is set out in **section 3** of the Explanatory Memorandum.

2.2 Overview of BWP Property Group

Summary	Further information
Who is BWP Property Group?	
<p>BWP Property Group is a newly established public company limited by shares which was incorporated specifically for the purposes of implementing the Proposed Transaction.</p> <p>At the date of this Prospectus, BWP Property Group is wholly owned by BWPM (as responsible entity of the BWP Trust).</p>	<p>Section 6 of this Prospectus</p>
What is BWP Property Group's purpose?	
<p>BWP Property Group's purpose is to acquire and hold the BWP Management Entities. Following Implementation, its primary objectives will be to continue to hold the BWP Management Entities and deliver on the BWP Trust's strategy as set out in section 1.3 of this Prospectus, including providing Investors with a secure and growing income stream and potential for capital growth through leasing of properties, selective acquisitions and value enhancing development opportunities, recognising that the BWP Trust and BWP Property Group will be stapled, with common ownership.</p>	<p>Section 6 of this Prospectus</p>
What is BWP Property Group's financial position?	
<p>BWP Property Group was incorporated on 16 June 2025 and has no trading history. BWP Property Group is (and will continue to be until Implementation) an entity that:</p> <ul style="list-style-type: none"> > holds no assets or liabilities; > has no creditors; > has no employees; and > does not carry on any business. <p>If the Proposed Transaction is approved, BWPM (as responsible entity of the BWP Trust) will capitalise BWP Property Group by way of approximately \$137 million in equity, totalling approximately \$0.19 equity capital per BWP Property Group Share, before distributing the BWP Property Group Shares to Investors by way of an in-specie capital return. Pro forma historical financial information has been included in section 7 of this Prospectus, along with a discussion of the basis for this information.</p> <p>BWP Property Group's key assets will include (if Implementation occurs) the BWP Management Entities (as shown in the diagram in section 1.2 of this Prospectus) and BWP Property Group will derive its revenue substantially from the BWP Management Entities.</p>	<p>Sections 6 and 7 of this Prospectus</p>
What is the future relationship?	
<p>Other than in respect of the Transitional Services provided to BWP under the CASA, as further detailed in section 10.2 of the Prospectus, BWP Property Group, through its wholly owned subsidiary entities, will provide all the resources required to operate BWP. BWP Property Group will ultimately be reimbursed from the BWP Trust and NPR Sub-Trusts on a cost-recovery basis to cover the expenses of operating BWP. Expenses will include the costs of the BWP Boards, Management and staff and associated costs, including office costs.</p> <p>BWPM will earn lower management fees payable from the BWP Trust. NPRM will earn lower management fees payable from the relevant NPR Sub-Trusts. Profits from the activities may be distributed to Investors from time to time at the discretion of the directors of the BWP Boards.</p>	<p>Section 7 of this Prospectus</p>
Who are the directors of BWP Property Group?	
<ul style="list-style-type: none"> > Anthony (Tony) Howarth AO (Non-executive Chair); > Mark Scatena (Managing Director); > Fiona Harris AM (Non-executive Director); > Michael (Mike) Steur (Non-executive Director); > Alison Quinn (Non-executive Director); and > Danielle Carter (Non-executive Director). <p>The Stapling Deed also requires the composition of the BWP Boards to be identical or substantially the same.</p> <p>If Implementation occurs, provided that Wesfarmers and its associates continue to hold at least 15 per cent of the BWP Property Group Shares, Wesfarmers will have the right to nominate a director to the BWP Property Group Board (and the BWPM Board, as the Stapling Deed requires the composition of the BWP Boards to be identical or substantially the same).⁴¹</p>	<p>Section 9.2 of this Prospectus</p>

⁴¹ See clause 8 of the Implementation Deed appended to BWP's 27 June 2025 Announcement.

3 Key features of the issue and distribution of BWP Property Group Shares

3.1 Background to the Proposed Transaction

As set out in the accompanying Explanatory Memorandum issued by BWPM (as responsible entity of the BWP Trust), Investors are being asked to approve the Proposed Transaction.

If the Proposed Transaction is Implemented:

- > BWP Property Group Shares will be distributed to Investors on a one for one basis according to their holdings of BWP Trust Units at the Stapling Record Date. BWP Property Group Shares will then be stapled to the BWP Trust Units, forming the Stapled Securities;
- > BWP Property Group will acquire BWPM (and its subsidiary entities) so that BWPM (and its subsidiary entities) become wholly owned subsidiaries of BWP Property Group. Following completion of this acquisition, BWP Property Group will hold all the resources necessary (being the BWP Management Entities) to provide management services to BWP effectively internalising BWP's management functions (BWP will also receive Transitional Services from Wesfarmers under the CASA for a maximum term of five years); and
- > the Stapled Securities will trade on ASX under the ticker 'BWP'.

3.2 Conditions precedent of the Proposed Transaction

BWP Property Group Shares will be distributed if the Proposed Transaction is approved by Investors and implemented.

Implementation is subject to a number of Conditions. These are:

- > **(Investor approval)** Resolution 1 being passed by the Investors;
- > **(ASIC and ASX)** each of ASIC and ASX issuing or providing the consents, waivers and approvals, and doing other such acts, as are necessary to implement the Proposed Transaction;
- > **(quotation of Stapled Securities)** the Stapled Securities being admitted to trading by the ASX on a deferred settlement basis;
- > **(financier consents)** BWP's financiers have given all consents or confirmations agreed between Wesfarmers and BWPM RE prior to the Implementation Date (each acting reasonably) as required to be obtained to implement the Proposed Transaction and such consents or confirmations remain in full force and effect; and
- > **(restraints)** no final restraining order or permanent injunction issued by any Australian court or other material legal restraint or prohibition preventing the Proposed Transaction is in effect at 8.00 am on the Implementation Date.

BWPM (as responsible entity of the BWP Trust) and BWP Property Group each reserve the right to change the terms of the Proposed Transaction at any time prior to its implementation, subject to the Corporations Act, the Listing Rules and the terms of the Implementation Deed, Share Sale and Subscription Deed, CASA and Master Lease and Implementation Deed.

The status of these Conditions will be advised at the Meeting.

3.3 Key implementation steps for the Proposed Transaction

If all the Conditions are satisfied or waived, the Proposed Transaction will be implemented in the manner set out in **section 1** of the Explanatory Memorandum. If the Proposed Transaction is not Implemented, the BWP Property Group Shares will not be distributed to Investors and therefore Investors will continue to hold their BWP Trust Units. No Stapled Securities will be formed in this instance.

3.4 Key features

In-specie Distribution

As at the date of this Prospectus, BWP Property Group has one BWP Property Group Share on issue, which is held by BWPM (as responsible entity of the BWP Trust).

Under this Prospectus, all BWP Property Group Shares are being distributed to Investors on a one for one basis according to their holdings of BWP Trust Units at the Stapling Record Date. The distribution of the BWP Property Group Shares is conditional on the Conditions being satisfied or waived by the Implementation Date.

The BWP Property Group Shares will only be distributed:

- > to those Investors on the BWP Trust Register at the Stapling Record Date;
- > if the Proposed Transaction is approved by Investors; and
- > if the Conditions to Implementation are all satisfied or waived by the Implementation Date.

If the Proposed Transaction is Implemented:

- > Investors are not required to pay any consideration for the BWP Property Group Shares. Investors are also not required to complete an application form for the BWP Property Group Shares. The BWP Property Group Shares are being distributed to Investors under the terms of the New BWP Trust Constitution by way of an in-specie capital return;
- > Investors will receive one BWP Property Group Share for each BWP Trust Unit they hold; and
- > the BWP Property Group Shares will be stapled to the BWP Trust Units to form the Stapled Securities.

Following Implementation, BWP Property Group will have 724,378,588 BWP Property Group Shares on issue. Please see **Annexure 3** for more detail.

4 Key terms of the BWP Property Group Shares

The BWP Property Group Shares will be fully paid ordinary shares. The rights and liabilities that attach to the BWP Property Group Shares are set out in the BWP Property Group Constitution and are regulated by the Corporations Act, the Listing Rules and general law.

A copy of the BWP Property Group Constitution can be obtained at no charge during the period of this Prospectus by calling the toll-free Information Line on 1300 119 134 (within Australia) and +61 3 9415 4352 (outside Australia) between 8:30 am and 5:00 pm (AEST) on Business Days.

The rights and liabilities that attach to the BWP Property Group Shares are summarised below. This summary is not intended to be an exhaustive summary of the rights and obligations of holders of BWP Property Group Shares.

- > **Dividend/Entitlements** – the directors may pay dividends to registered holders of BWP Property Group Shares (**Shareholders**) out of the profits of BWP Property Group (if any). The directors may fix the amount, the date and method of payment. All BWP Property Group Shares on which any dividend is declared or paid are entitled to participate in that dividend equally.
- > **General meetings** – each Shareholder is entitled to receive notices of general meetings of BWP Property Group and to receive all notices, financial statements and other BWP Property Group documents required to be sent to Shareholders under the BWP Property Group Constitution, the Corporations Act or Listing Rules. The directors may call a general meeting from time to time and must call an annual general meeting. Meetings of BWP Property Group shareholders may be held in conjunction with meetings of BWP Trust Unitholders.
- > **Voting rights** – at a general meeting of BWP Property Group, every Shareholder has one vote on a show of hands and one vote for each fully paid BWP Property Group Share on a poll.
- > **Issue of additional securities** – the directors may (subject to the restrictions on the issue of BWP Property Group Shares imposed by the BWP Property Group Constitution, the Corporations Act and the Listing Rules) issue or allot securities in BWP Property Group or grant options over unissued securities in BWP Property Group, or otherwise dispose of any securities in BWP Property Group on any terms as they see fit.
- > **Transferability of securities** – while Stapled Securities (which include BWP Property Group Shares) are quoted on ASX, Shareholders will generally be able to sell or transfer Stapled Securities (which include BWP Property Group Shares) without restriction. The directors may refuse to register any transfer of Stapled Securities, BWP Property Group Shares or other securities in circumstances permitted by the Listing Rules and the BWP Property Group Constitution (including where the BWP Property Group Shares are subject to a voluntary escrow deed).
- > **Variation of class rights** – the rights attaching to any class of shares in BWP Property Group, unless otherwise provided for by the terms of issue of those shares, may only be varied or cancelled with the consent in writing of the holders of 75 per cent of the issued shares in the relevant class, or with the sanction of a special resolution passed at a meeting of the holders of the shares in that class.
- > **Entitlement on winding up** – subject to the BWP Property Group Constitution and to any special or preferential rights attaching to any class or classes of shares in BWP Property Group, shares in BWP Property Group will attract the right in a winding up to participate equally in the distribution of the assets of BWP Property Group (both capital and surplus) in proportion to the Securities held. The BWP Property Group Constitution also gives Shareholders the right to approve by special resolution various alternative ways in which assets may be dealt with by any liquidator.
- > **Amendments to the BWP Property Group Constitution** – the Corporations Act provides that the constitution of a company may be modified or repealed by a special resolution passed by the shareholders of the company (meaning 75 per cent of votes cast by shareholders entitled to vote on the resolution). The BWP Property Group Constitution does not provide for any further requirements to be complied with to effect a modification of, or to repeal, the BWP Property Group Constitution (except if the amendments affect the stapling of BWP Property Group Shares, in which case consent of each entity in the stapled group of which BWP Property Group forms part may need to be obtained).
- > **Stapling** – the BWP Property Group Constitution provides that if BWP Property Group Shares are stapled to another security (for example, BWP Trust Units), those stapled securities must only be dealt with as one security. The directors are entitled to consider the fact that the economic and other interests of BWP Property Group and the other stapled entity are aligned, and the directors may therefore have regard to the interests of both the Shareholders and investors in the other stapled entity. The directors may determine that the stapling provisions cease to apply and must determine that the provisions relating to stapling cease to apply where winding-up is commenced with respect to a Stapled Entity.

5 Risks associated with BWP Property Group Shares

A. Pre-existing risks with an investment in BWP Trust

Investors are already subject to the risks relevant to their investment in the BWP Trust, and the Proposed Transaction does not affect those risks. Accordingly, this section does not seek to further address those specific risks.

B. Risks relating to the Proposed Transaction

Risks which the BWP Boards believe may arise from the Proposed Transaction are relevant to the issue and distribution of BWP Property Group Shares to Investors because BWP Property Group is a component of the Stapled Entities. Specific risks in relation to the Proposed Transaction are set out below.

- > **Sale of Stapled Securities** – following Implementation, some Investors may not want to continue to hold their Stapled Securities and may wish to sell them. If increased sales of Stapled Securities occurs, this may adversely impact the price of, and demand for, the Stapled Securities.
- > **Counterparty change of control risk** – BWPM or NPRM may be party to agreements that contain pre-emptive or default rights or change of control provisions that may be triggered if BWP Property Group acquires BWPM. These provisions, if triggered, could have negative consequences including enabling a counterparty to terminate a contract, accelerate payment obligations or require BWPM or NPRM to renegotiate a contract or dispose of an interest.

BWP is not aware of any change of control provisions that may be triggered if BWP Property Group acquires BWPM or NPRM, other than under the financing arrangements relating to BWP (and the consent of BWP's financiers to the Proposed Transaction is a Condition to Implementation).
- > **Historical liabilities** – BWP Property Group will acquire BWPM and its subsidiary entities which may have unknown historical liabilities. To address this, the BWP Boards have commissioned legal and tax due diligence on BWPM and its subsidiary entities. The BWP Property Group Board has also obtained limited warranties and tax indemnities from Wesfarmers under the Share Sale and Subscription Deed.
- > **Potential higher operating costs** – there is a risk that ongoing operating costs may be higher than anticipated, so that the financial benefits targeted to arise from the Proposed Transaction are not achieved to the extent anticipated, or at all. The Internalisation Purchase Price paid to Wesfarmers for BWPM takes account of anticipated future expenses against anticipated future savings on external fees. If future expenses exceed expectations, there is a risk that the amount paid for BWPM is too high relative to the fee savings.

- > **Financial information** – there is a risk that the assumptions in the financial information in **section 7** of this Prospectus may not be met. One-off transaction and ongoing operating costs may be higher than forecast as a result of the Proposed Transaction which may lower profit. Forecasts by their nature are subject to uncertainties and contingencies, many of which are outside the control of BWP. Therefore, there is a risk that the financial benefits targeted to arise from the Proposed Transaction are not achieved to the extent anticipated, or at all.
- > **Employees** – BWP will be reliant on retaining and attracting quality senior management and staff to operate BWP. There is a risk the Proposed Transaction could trigger the loss of services of senior management or key personnel, and new personnel might have less specialist experience or be more expensive which could adversely affect BWP's operations and performance. Managing Director (Mark Scatena) has agreed to execute a new employment contract with BWP Operations to take effect if Implementation occurs. The BWP Boards also believe that steps have been taken to mitigate the risk of personnel losses. This risk already exists today. However, following Implementation, responsibility for managing this risk will be internalised.
- > **Changes in applicable law** – the existence of a company (BWP Property Group) in the new stapled structure gives rise to additional associated regulatory, tax, statutory and legal requirements which may change over time and have implications for Investors. BWP must comply with various legal requirements imposed by securities laws and company laws in Australia. Should any of those laws change over time, the legal requirements to which BWP may be subject could differ materially from current requirements. Furthermore, changes in relevant taxation laws, accounting standards, other legal, legislative or other administrative regimes, and government policies (including government fiscal, monetary and regulatory policies), may have an adverse effect on assets, operations and, ultimately, financial performance of BWP. However, these risks might be seen as a usual part of doing business.

General risks in relation to the Proposed Transaction are set out below.

- > **Economic conditions** – the operating and financial performance of BWP will be influenced by a variety of general economic conditions and business conditions, including the level of inflation, interest rates and government fiscal, monetary and regulatory policies. Higher than expected inflation rates generally or specific to the property sector could be expected to increase costs. A prolonged deterioration in general economic conditions could materially and adversely affect BWP's operations and/or financial position and performance.
- > **Geopolitical risk** – global economic and geopolitical factors, industry demand and supply balances, trade wars, product substitution and national tariffs. Geopolitical conditions, hostilities, civil or political unrest, any acts of war, sabotage, cyberattack or terrorism (including any outbreak, escalation or worsening of the foregoing) may result in trade sanctions, embargoes and disruption to supply chains which may impact net operating income, capital works, development and the business of tenants.

- > **Regulatory risk** – BWP may be affected by government legislation and regulations (including environmental and industrial relations legislation). Changes in legislation and regulations pertaining to, but not limited to, tenancy laws, stamp duty and taxation laws, environmental laws and industrial relations laws may have a material adverse effect on the forecast capital expenditure of BWP or on BWP's financial position or financial performance (such as by directly or indirectly reducing its income from its properties or increasing its costs in relation to the properties).
- > **Taxation** – changes in tax law (including goods and services taxes and stamp duties), or changes in the way taxation laws are interpreted may impact the tax liabilities of BWP or the tax treatment of an Investor's investment. In particular, both the level and basis of taxation may change. In addition, an investment in Stapled Securities involves tax considerations which may differ for each Investor. Each Investor is encouraged to seek professional tax advice in connection with any investment in BWP.
- > **Disputes and litigation** – disputes or litigation may arise from time to time in the course of business activities. There is a risk that material or costly disputes or litigation could adversely affect BWP's financial performance and the value of Stapled Securities.
- > **Insurance** – BWP carries a range of insurance cover for various assets. However, there are certain events for which BWP may not be able to maintain insurance cover. These events may include, but are not limited to, acts of war or political instability and catastrophic events such as floods. Further, insurance markets may be detrimentally affected such that insurance becomes more expensive or the financial ability of insurance companies to respond to claims is diminished.
- > **Financial risks** – BWP is exposed to but is well-positioned from a financial risk perspective with a majority of BWP's counterparty exposure being to Wesfarmers (A- (stable) S&P rating, A3 (stable) Moody's rating). BWP's assets comprise a geographically diverse portfolio of large format retail properties, generally with long-term leases in place with a portfolio weighted average lease expiry of approximately 4.4 years⁴², which will increase to 8.0 years⁴³ should the Proposed Transaction be Implemented. The capital structure of BWP (preferred gearing range of 20 to 30 per cent) takes into account the dynamics of the property investment portfolio, and the lease terms of each asset.

BWP actively seeks to diversify its sources of debt funding, currently through two domestic banks, two international banks, the domestic medium-term note market and the international institutional loan market.

BWP has a portfolio of 82 properties, limiting the financial impact of vacancies or decline in rent for any particular property. The key economic risk relates to interest rate movements, the impact of these on property capitalisation rates, and the cost of debt funding. All investment proposals are evaluated in relation to longer term return objectives, which consider interest rate cycles. The interest rate impact on debt funding is managed with levels of interest rate hedging.

- > **Business model risk** – potential future exposure to new income streams may affect BWP's risk profile, financially and reputationally, through increased operational and regulatory complexities which may ultimately impact BWP's financial position and performance.
 - > **Inflation** – increases in inflation could result in higher funding and construction costs for BWP, impacting the feasibility and timing of some property repositioning and upgrades, and increased operating costs, impacting the profitability of BWP.
 - > **Climate-related and environmental risks** – the climate change risks particularly attributable to BWP include:
 - > the emergence of new or expanded regulations associated with transitioning to a lower-carbon economy and market changes related to climate change mitigation. BWP may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. While BWP will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that BWP will not be impacted by these occurrences; and
 - > climate change may cause certain physical and environmental risks that cannot be predicted by BWP, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns which may for example result in damage to property.
- The risks associated with climate change may significantly impact on the industry generally and specifically for BWP the properties owned, insurance and operating costs and ultimately financial performance.
- > **Social sustainability risks** – BWP recognises the significant importance of ensuring that people's health and safety is not put at risk by its activities and operations. It has in place policies and practices to help identify health and safety risks and to manage those risks appropriately. To that end, BWP is committed to ensuring that its supply chain and business operations do not involve modern slavery and has policies and procedures in place to manage the risk appropriately. As far as practicable, BWP's operational and supplier contract terms include requirements to comply with all relevant laws, and to meet minimum standards for ethical sourcing.
 - > **Merger control risk** – transactions to be entered into between Bunnings and BWP, including the acquisition or sale of freehold interests in land and the grant of leasehold interests in land, may be required to be notified to the Australian Competition and Consumer Commission (ACCC) under section 51ABO of the *Competition and Consumer Act 2010* (Cth). If so, Bunnings and BWP will be obliged not to put the transaction into effect until after receipt of ACCC approval and expiry of a 14-day waiting period, which may affect completion timeframes, and incur additional transaction costs, including filing fees.

⁴² As at 31 December 2024.

⁴³ As at 31 December 2024, allowing for the agreed lease extensions to commence at the next anniversary of each current Bunnings Lease, except for the Chadstone lease which will commence at Implementation.

- > **Forward-looking statements** – the forward-looking statements, opinions and estimates provided in this Prospectus, including the financial forecasts, are based on assumptions. There can be no guarantee that the assumptions and contingencies on which the forward-looking statements, opinions and estimates are based will ultimately prove to be valid or accurate. This includes but is not limited to such forward-looking statements, opinions or estimates relating to rents, direct property expenses or outgoing and operating expenses incurred for the day-to-day running of BWP. The forward-looking statements, opinions and estimates depend on various factors, many of which are or will be outside the control of BWP. Various factors, both known and unknown, may impact BWP's performance and cause actual performance to vary significantly from what was expected. There can be no guarantee that BWP will achieve its stated objectives or that any forward-looking statement or forecast is indicative of BWP future performance or that actual results will not materially differ from those presented in the forecast information.
- > **ASX listing requirements** – there are various listing requirements that the Stapled Entities must comply with, which may change over time. While the Stapled Entities will always seek to comply with these requirements, there can be no assurance that they will continue to be met.
- > **Foreign exchange/currency risk** – all information in this document is presented in Australian dollars. Investors who reside outside of Australia, or who rely on funding denominated in a currency other than the Australian dollar, should be aware of the impact that fluctuations in exchange rates may have on the value of their investments in the Stapled Securities following Implementation.
- > **Other factors** – following Implementation, other factors may impact on BWP's performance including natural disasters, changes or disruptions to political, regulatory, legal or economic conditions or to the national or international financial markets including as a result of pandemics, epidemics, terrorist attacks or war, conflicts and supply constraints.
- > **Management and other personnel** – BWP will be reliant on retaining and attracting quality senior management and staff to operate BWP. There is a risk the Proposed Transaction could trigger the loss of services of senior management or key personnel, and new personnel might have less specialist experience or be more expensive which could adversely affect BWP's operations and performance. Managing Director (Mark Scatena) has agreed to execute a new employment contract with BWP Operations should Implementation occur. Certain terms will be included in his employment contract such as notice periods, remuneration set at market level and incentives aligned to the long-term interest of Investors through the use of Stapled Securities that have various selling restrictions. The BWP Boards believe that steps have been taken to mitigate the risk of personnel losses. This risk already exists today. However, following Implementation, responsibility for managing this risk will be internalised.
- > **Potentially higher operating costs** – following Implementation, BWP will no longer pay management fees to Wesfarmers (as the current ultimate holding company of the BWP Management Entities). While this will give BWP greater control over operating costs, it also exposes BWP to movements and volatility in operating cost structures. Although the BWP Boards have considered the potential costs and consider that such costs following Implementation will be lower than the external management BWP would otherwise have to pay to Wesfarmers (as the current ultimate holding company of the BWP Management Entities) and particularly over time as BWP grows, there is a risk that ongoing operating costs may be higher than anticipated, so that the financial benefits targeted to arise from the Proposed Transaction are not achieved to the extent anticipated, or at all.
- > **Australian Financial Services Licence (AFSL) requirements** – if a BWP Management Entity (each of which will be a wholly owned subsidiary of BWP Property Group following Implementation) breaches the conditions of its AFSL there is a risk that the relevant AFSL will be revoked and, the relevant BWP Management Entity will not be able to act as responsible entity or trustee (as applicable) of the relevant entity.

C. Risks associated with an investment in BWP Property Group Shares

This Prospectus outlines the risks that the BWP Property Group Board believes may arise from an investment in BWP Property Group Shares.

The specific risks detailed below overlap with the risks relating to the Proposed Transaction explained in **section 5** of this Prospectus. There may be other risks, and this section does not seek to be exhaustive of all risks which may potentially arise from an investment in BWP Property Group Shares.

- > **Historical liabilities** – BWP Property Group will acquire BWPM and its subsidiary entities which may have unknown historical liabilities. To address this, the BWP Boards have commissioned legal and tax due diligence on BWPM and its subsidiary entities. The BWP Property Group Board has also obtained limited warranties and tax indemnities from Wesfarmers under the Share Sale and Subscription Deed.

The BWP Boards have taken steps to mitigate this risk through governance policies and procedures, compliance activities and planning, and system and risk management framework. Current AFSL licensing requirements require the BWP Management Entities to comply with minimum solvency and capital standards. These may change over time, requiring additional reserves to be set aside which may adversely affect financial performance.

6 Overview of BWP Property Group and its operations

This section provides a brief overview of BWP Property Group. More detailed information about the internalised BWP is set out in **section 1.3** of this Prospectus (including the investment objectives and strategy for BWP).

6.1 Overview of BWP Property Group

BWP Property Group is a newly incorporated public company limited by shares which has not traded, and will not trade, prior to Implementation.

BWPM (as responsible entity of the BWP Trust) is currently the sole shareholder of BWP Property Group. If Implementation occurs, on the Implementation Date, the BWP Property Group Shares will be distributed by BWPM (as responsible entity of the BWP Trust) to Investors as at the Stapling Record Date.

BWP Property Group is (and will continue to be until Implementation) an entity that:

- > holds no assets or liabilities;
- > has no creditors;
- > has no employees; and
- > does not carry on any business.

Following Implementation, BWP Property Group will own all the shares in BWPM, and through it, the BWP Management Entities.

BWP Property Group is also the sole shareholder of BWP Operations, a newly incorporated entity that has been established for the purposes of acting as the operations entity for BWP on a go-forward basis. Each of the employees providing services to the Stapled Entities will ultimately be directly engaged by BWP Operations, and BWP Operations will ultimately be the entity that enters into various service-related contracts on behalf of BWP.

6.2 BWP Property Group's business plan

BWP Property Group's immediate objective is to provide a structure for Investors to indirectly acquire the BWP Management Entities, to access the potential advantages associated with an internally managed REIT. These potential advantages are set out in detail in **section 1.5** of this Prospectus. For details regarding the potential disadvantages and risks associated with investing in BWP Property Group, please refer to **section 5** of this Prospectus.

Following Implementation, BWP Property Group will own the BWP Management Entities and its primary objectives will be to continue to hold the BWP Management Entities and deliver on the BWP Trust's strategy, recognising that the securities in the BWP Trust and BWP Property Group will be stapled, with common ownership.

See **section 1.3** of this Prospectus for further details regarding the investment strategy of BWP, which will not be altered by the Proposed Transaction.

7 Financial information

7.1 Introduction

BWP Property Group was incorporated on 16 June 2025 and has subsequently entered into conditional agreements to acquire BWPM (together with its subsidiary entities) from Wesfarmers, alongside stapling each BWP Property Group Share to each BWP Trust Unit to form a new Stapled Security. For the purpose of the BWPM acquisition, the acquirer for accounting purposes is deemed to be BWP Trust in accordance with AASB 3 Business Combinations. Refer to **Section 7.2.3** for further details on the acquisition and related accounting treatment.

The Financial Information contained in this section comprises the:

- > historical consolidated income statements of BWP Trust for the financial years ended 30 June 2023 and 30 June 2024, the six month periods ended 31 December 2023 and 31 December 2024 as set out in **section 7.3** of this Prospectus;
- > the forecast statutory consolidated income statement of BWP Trust for the year ending 30 June 2025, and the forecast statutory consolidated income statement of BWP assuming the Proposed Transaction proceeds for the year ending 30 June 2026 as set out in **section 7.3** of this Prospectus;
- > historical consolidated cash flow statements of BWP Trust for the financial years ended 30 June 2023 and 30 June 2024, the six months ended 31 December 2023 and 31 December 2024 and the forecast statutory consolidated cash flow statement for the year ending 30 June 2025 as set out in **section 7.4** of this Prospectus;
- > explanatory forecast consolidated income statement of BWP post the implementation of the Proposed Transaction for the year ending 30 June 2026 (see column entitled 'FY2026F' as set out in **section 7.7** of this Prospectus); and
- > forecast distributions paid or payable for the years ending 30 June 2025 and 30 June 2026, and the forecast distributions paid or payable for BWP post the Implementation of the Proposed Transaction for the year ending 30 June 2026 (see column entitled 'FY2026F' as set out in **section 7.7.1** of this Prospectus);
- > historical consolidated balance sheet of BWP Trust as at 31 December 2024 as set out in **section 7.5** of this Prospectus;
- > pro forma historical consolidated balance sheet of BWP following Implementation as at 31 December 2024 (see column entitled 'BWP Pro Forma' as set out in **section 7.5** of this Prospectus) (the **Pro Forma Balance Sheet**);

together, the **Financial Information**.

All amounts disclosed in this **section 7** of this Prospectus are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest million. Rounding may result in some discrepancies between the sum of components and the totals outlined within the tables and percentage calculations.

Information provided in this **section 7** should be read in conjunction with the sensitivity analysis outlined in **section 7.8** of this Prospectus, the risk factors outlined in **section 5** of this Prospectus and the other information provided in this Prospectus.

7.2 Basis of preparation and presentation of financial information

7.2.1 Overview

The Financial Information included in this Prospectus is intended to present Investors with information to assist them in understanding the underlying financial performance and financial position of BWP following Implementation of the Proposed Transaction.

Attention is drawn to the explanatory FY2026 forecast information within the Financial Information which demonstrates the impact of the Implementation on the FY2026 forecast. It sets out the financial performance that would have been expected had the existing external management arrangements continued and reconciles it to the FY2026 statutory forecast which assumes implementation of the Proposed Transaction occurs on 1 August 2025.

The BWPM Board is responsible for the preparation and presentation of the Financial Information. The Financial Information in this Prospectus is intended to present Investors with information to assist them in understanding the historical financial position and financial performance of BWP, the pro forma historical financial position of BWP arising from Implementation, as well as prospects for BWP (assuming Implementation occurs).

The Historical and Forecast Financial Information has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards (**AAS**).

The Pro Forma Balance Sheet has been prepared in accordance with the recognition and measurement principles contained in AAS, and includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they occurred as at 31 December 2024.

The forecasts in the Financial Information have been prepared in accordance with the recognition and measurement principles contained in AAS, and include adjustments which have been prepared in a manner consistent with AAS that reflect the impact of the Proposed Transaction as if it were implemented on the Implementation Date.

Certain material accounting policies relevant to the Financial Information are disclosed in **section 7.11** of this Prospectus. The Financial Information is presented in an abbreviated form and does not contain all of the presentation, disclosures, statements or comparative information as required by AAS applicable to annual general purpose financial reports prepared in accordance with the Corporations Act.

The Financial Information, as defined above, has been reviewed by KPMG, whose Limited Assurance Investigating Accountant's Report is annexed at **Annexure 1**. Investors should note the scope and limitations of this report.

7.2.2 Preparation of statutory historical financial information

On the basis that BWP Property Group was incorporated on 16 June 2025, and because BWP Trust has been deemed to be the accounting acquirer, Statutory Historical Financial Information for BWP Property Group will be the Statutory Historical Financial Information of BWP Trust (see **section 7.2.3** below). Additionally, the distributions to Investors historically have been subject to the financial performance of the BWP Trust which contained all revenue and costs relevant to its operations, including a management fee paid to BWPM. For this reason, the historical statutory information of the BWP Trust is also the most relevant to present.

The historical financial information contained in Financial Information for BWP Trust has been extracted from its full year and interim financial statements and refers to the balance sheet as at 31 December 2024, and the cash flow statements and income statements for the financial years ended 30 June 2023 and 30 June 2024, and the six months ended 31 December 2023 and 31 December 2024 which were audited or reviewed by KPMG (the **Historical Financial Information**). KPMG issued unqualified audit opinions on the full year financial statements and a review on the interim financial statements issued 31 December 2023 and 31 December 2024, in which KPMG was not aware of any matter that makes KPMG believe that half-year financial information does not comply with the Corporations Act.

7.2.3 Preparation of the pro forma historical financial information

Following Implementation of the Proposed Transaction the management fee will be replaced by:

- > expenses borne directly by BWP; and
- > certain transitional services provided by Wesfarmers under the CASA for which fees will be paid.

In addition, BWP will incur additional interest expense in relation to the debt drawn to fund the Proposed Transaction.

In relation to the changes in cost structure noted above, the pro forma historical profit and loss statement impacts would not have been material given the value of BWP's investment property portfolio (which drives the quantum of the existing management fee) was materially lower in the historical periods before the acquisition of the NPR REIT on 28 March 2024 (refer to **section 7.11**). As such pro forma historical consolidated income statements of BWP and pro forma historical consolidated cash flow statements have not been provided.

The Pro Forma Balance Sheet contained in the Financial Information has been derived from the historical consolidated balance sheet of BWP Trust as at 31 December 2024 and adjusted for the effects of the Proposed Transaction as if it were implemented on 31 December 2024. The pro forma adjustments are described in **section 7.5** of this Prospectus.

Acquisition accounting

The acquisition of BWPM has been evaluated in accordance with AASB 3 Business Combinations, which specifies a number of steps required in accounting for the acquisition. Pro forma adjustments based on the outcome of those steps have been made to the balance sheet at 31 December 2024.

Identifying the acquirer

Under AASB 3 an acquirer is identified for each business combination based on the entity that obtains control over the other. After consideration of all the facts and circumstances the Directors are of the view that BWP Trust is the accounting acquirer.

Subject to implementation of the Proposed Transaction on 1 August 2025, the statutory consolidated income statement of BWP Property Group for the year ending 30 June 2026 will show one month of BWP Trust results with the addition of 11 months of results adjusted for the expected impacts of the Proposed Transaction noted under **section 7.7**. The FY2024 comparatives shown within those financial statements will be the statutory results of BWP Trust for that period.

Purchase price allocation

Under AASB 3 the purchase consideration paid for an acquisition must be allocated across the fair value of identifiable tangible and intangible assets, liabilities and contingent liabilities assumed, with the balance (if any) allocated to goodwill.

The purchase price payable to Wesfarmers for the acquisition of BWPM is stated as \$142.6 million. This was a number calculated and agreed between the parties. It was agreed this would be settled by way of \$100.0 million in cash and the balance through the issue of Stapled Securities. After adjusting for working capital and employee benefit liabilities acquired, the estimated value assigned to goodwill based on the purchase price of \$142.6 million is \$139.2 million.

The number of Stapled Securities to be issued to Wesfarmers was calculated as 10,867,347 based on \$42.6 million divided by the NTA value per unit at 31 December 2024 (\$3.92). Investors should note that the actual value of the Stapled Securities issued to Wesfarmers will be recorded in the financial statements at market price at Implementation and this may be different to that reflected in the Pro Forma Historical Balance Sheet. In addition, under AAS, BWP Property Group will have up to 12 months from the date of the acquisition to amend and finalise the relevant fair values. If the fair values are amended, the balance sheet and statement of comprehensive income reflected in future financial statements may be impacted and subject to impairment testing.

The amount allocated under the purchase price allocation will be substantially attributed to goodwill (given the minimal net assets identified in BWPM) and reflects the cost saving synergies expected resulting from the internalisation of the BWPM management function.

No intangible assets relating to management rights have been recognised since the management fee arrangement between BWP Trust and BWPM is internalised post-acquisition and does not generate cash flows external to the BWP Group as a separately identifiable asset. The \$139.2 million intangible asset identified in the Pro Forma Balance Sheet at 31 December 2024 relates to goodwill, reflecting the acquisition of the BWPM workforce and the cost efficiencies anticipated through internalisation.

7.2.4 Preparation of forecast financial information

The forecast financial information contained in the Financial Information refers to the income statements for the years ending 30 June 2025 and 30 June 2026 and cash flow statement for the year ending 30 June 2025 and has been prepared solely for inclusion in this Prospectus on the basis that Implementation occurs (the **Forecast Financial Information**). The Forecast Financial Information has been prepared by the BWPM Board based on an assessment of current economic and operating conditions, and assumptions regarding future events and actions as set out in **section 7.6** of this Prospectus. The BWPM Board believes that the Forecast Financial Information has been prepared with due care and attention and consider the assumptions to be reasonable at the time of preparing this Prospectus.

Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information and that any deviation in the assumptions on which the Forecast Financial Information is based may have a material positive or negative effect on actual financial performance, cash flows and distributions. Accordingly, none of BWP or its Directors or any other person can give investors any assurance that the outcomes disclosed in the Forecast Financial Information will be realised. Investors are advised to review the assumptions set out in **section 7.6** of this Prospectus, the risk factors outlined in **section 5** of this Prospectus and the other information provided in this Prospectus.

The statutory forecast income statement for the year ending 30 June 2025 has been derived from the reviewed historical financial information for the six months ended 31 December 2024 with the addition of actual historical management account information for the five months ended 31 May 2025 and one month of forecast results for BWP Trust based on an assessment of current economic and operating conditions, assumptions regarding future events and actions and on a standalone basis.

The statutory forecast income statement for the year ending 30 June 2026 has been derived from the forecast consolidated income statement for BWP for the year ending 30 June 2026 based on an assessment of current economic and operating conditions, assumptions regarding future events and actions and on a standalone basis, after adjusting for the effects of the adjustments described below in **section 7.6** of this Prospectus.

The Forecast Financial Information is based on the BWPM Board's best estimate assumptions as described in **section 7.6** of this Prospectus. The BWPM Board believes the best estimate assumptions, taken as a whole, to be reasonable at the time of preparing this Prospectus. However, this information is not fact and Investors are cautioned not to place undue reliance on the Forecast Financial Information

7.3 Consolidated income statements

The table below outlines the historical consolidated income statements of BWP Trust for the financial years ended 30 June 2023 and 30 June 2024, the six months ended 31 December 2023 and 31 December 2024, and the forecast consolidated income statements for the financial years ending 30 June 2025 and 30 June 2026.

Consolidated statement of profit or loss and other comprehensive income

\$ millions	FY2023	FY2024	FY2025F	FY2026F	1H FY2024	1H FY2025
Revenue	158.2	174.5	203.1	203.1	82.3	100.6
Finance costs	(16.7)	(25.4)	(35.2)	(41.0)	(10.5)	(17.2)
Responsible entity's fees	(17.9)	(18.6)	(21.3)	(1.9)	(8.8)	(10.6)
Operating costs (internally managed)	–	–	–	(9.6)	–	–
Other operating expenses	(10.0)	(11.2)	(14.2)	(15.2)	(5.6)	(6.7)
Transaction costs	–	–	(3.3)	(2.5)	–	–
Tax expense	–	–	–	(0.3)	–	–
Total expenses	(44.6)	(55.2)	(74.0)	(70.5)	(24.9)	(34.5)
Profit before fair value movements	113.6	119.3	129.1	132.6	57.5	66.1
Remeasurement to fair value of derivatives	–	(0.4)	(3.2)	–	–	(2.2)
Unrealised gains/(losses) in fair value of investment properties	(76.9)	61.3	139.1	–	(4.2)	93.2
Profit for the period attributable to Investors	36.7	180.2	265.0	132.6	53.2	157.1
Other comprehensive losses						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Effective portion of changes in fair value of cash flow hedges:						
– Realised gains transferred to profit or loss	(0.0)	(0.1)	–	–	(0.1)	(0.1)
– Unrealised losses on cash flow hedges	0.3	0.1	–	–	(0.2)	(0.1)
Total comprehensive income for the period attributable to the Investors	37.0	180.1	265.0	132.6	53.0	156.9
Basic and diluted earnings (cents per security)	5.71	27.29	37.14	18.58	8.29	22.02
Basic and diluted earnings excluding fair value movement (cents per security)	17.68	18.06	18.09	18.58	8.94	9.26

7.4 Consolidated cash flow statements

The table below outlines the historical consolidated cash flow statements of BWP Trust for the financial years ended 30 June 2023 and 30 June 2024, the six months ended 31 December 2023 and 31 December 2024, and the forecast consolidated cash flow statement for the financial year ending 30 June 2025.

Consolidated statement of cash flows

\$ millions	FY2023	FY2024	FY2025F	1H FY2024	1H FY2025
Cash flows from operating activities					
Rent received	177.5	198.2	210.6	91.7	107.6
Payments to suppliers	(24.5)	(25.7)	(38.4)	(16.5)	(28.2)
Payments to the responsible entity	(17.6)	(18.6)	(20.2)	(8.9)	(9.6)
Finance income	0.2	0.8	0.6	0.2	0.3
Finance costs	(15.9)	(25.8)	(35.5)	(10.3)	(17.1)
Net cash flows from operating activities	119.8	128.8	117.1	56.3	53.0
Cash flows from investing activities					
Receipts from the sale of investment properties	2.7	66.7	–	–	–
Payments for purchase of, and additions to, investment properties	(12.8)	(92.0)	(26.6)	(43.1)	(5.5)
Cash acquired from new subsidiaries	–	2.1	–	–	–
Net cash flows used in investing activities	(10.2)	(23.1)	(26.6)	(43.1)	(5.5)
Cash flows from financing activities					
Proceeds from borrowings	12.9	303.5	37.8	75.0	19.2
Repayments of borrowings	–	(275.0)	–	(26.5)	–
Transaction costs – equity issued	–	(6.1)	–	–	–
Distributions paid	(117.5)	(117.5)	(131.8)	(59.5)	(66.1)
Net cash flows used in financing activities	(104.6)	(95.2)	(93.9)	(11.1)	(46.9)
Net increase in cash	5.0	10.5	(3.4)	2.0	0.6
Cash at beginning of the period	11.9	16.8	27.3	16.8	27.3
Cash at the end of the period	16.8	27.3	23.9	18.9	27.9

7.5 Historical and pro forma historical consolidated balance sheets

The table below outlines the pro forma historical consolidated balance sheet of BWP as at 31 December 2024 as if the Proposed Transaction was implemented on 31 December 2024 and has been derived from the historical consolidated balance sheet of BWP Trust as at 31 December 2024, adjusted for the impact of the Proposed Transaction.

The pro forma consolidated balance sheet is provided for illustrative purposes only and is not represented as being necessarily indicative of BWP's actual or future financial position.

Pro forma consolidated balance sheet at 31 December 2024

\$ millions	31 December 2024	Internalisation	Lease Reset and Extension	Debt Re-allocation	BWP Pro Forma
ASSETS					
<i>Current assets</i>					
Cash	27.9	11.8	–	–	39.7
Receivables and prepayments	12.1	1.5	–	–	13.5
Derivative financial instruments	1.4	–	–	–	1.4
Assets held for sale	10.0	–	–	–	10.0
Total current assets	51.4	13.2	–	–	64.6
<i>Non-current assets</i>					
Investment properties	3,631.0	–	49.9	–	3,680.9
Derivative financial instruments	0.1	–	–	–	0.1
Intangibles	–	139.2	–	–	139.2
Deferred tax assets	–	2.0	–	–	2.0
Total non-current assets	3,631.1	141.2	49.9	–	3,822.2
Total assets	3,682.4	154.4	49.9	–	3,886.8
LIABILITIES					
<i>Current liabilities</i>					
Payables and deferred income	31.1	0.9	–	–	32.0
Distribution payable	65.6	–	–	–	65.6
Interest-bearing loans and borrowings	–	–	–	150.0	150.0
Total current liabilities	96.7	0.9	–	150.0	247.6
<i>Non-current liabilities</i>					
Interest-bearing loans and borrowings	786.9	115.1	–	(150.0)	751.9
Total non-current liabilities	786.9	115.1	–	(150.0)	751.9
Total liabilities	883.6	116.0	–	–	999.6
Net assets	2,798.8	38.5	49.9	–	2,887.2
EQUITY					
<i>Equity attributable to Investors</i>					
Issued capital	1,191.2	42.6	–	–	1,233.8
Hedge reserve	0.1	–	–	–	0.1
Undistributed income	1,607.6	(4.1)	49.9	–	1,653.4
Total equity	2,798.8	38.5	49.9	–	2,887.2
Securities on issue (#m)	713.5	10.9	–	–	724.4
Net assets per security (\$)	3.92				3.99
NTA per security (\$)	3.92				3.79
Gearing⁴⁴	20.6%				23.0%

44 Gearing (calculated as net debt / total tangible assets) as at 31 December 2024.

Notes:

- > As referenced in the table above, 31 December 2024 refers to the statutory accounts for the financial position of BWP Trust as at 31 December 2024, as released to the ASX.
- > The Internalisation includes adjustments associated with the consideration for the internalisation of the management functions of BWP, to be funded partially through drawing debt (Cash Consideration) and partially through the issuance of new securities to Wesfarmers (Consideration Securities), and the debt funding of the Proposed Transaction, as further described in **section 10.1.3** of this Prospectus. Payables and deferred income liabilities are acquired as part of the Proposed Transaction and are adjusted against the Internalisation Purchase Price to calculate the net amount to be paid to Wesfarmers (**Net Internalisation Payment**).
- > The Lease Reset and Extension includes adjustments associated with the BWPM Board's assessment of the estimated uplift to the valuation of the investment properties as a result of the Lease Reset and Extension as outlined in **section 1.5.4** of the Prospectus.
- > The Debt Re-allocation relates to the \$150.0 million fixed term seven-year corporate bonds that mature on 10 April 2026 and as at 27 June 2025 have been reclassified as a current liability in the pro forma consolidated balance sheet. The repayment is expected to be financed through a new bond issuance, existing debt facilities and/or other refinancing options.
- > BWP does not expect there to be any pro forma adjustments to the statutory financial position of BWP Trust as at 31 December 2024 which arise because of the Capital Expenditure Commitments component of the Proposed Transaction given the timing of the Capital Expenditure Commitments.

7.6 Forecast assumptions

The key assumptions relating to the Forecast Financial Information are set out below.

7.6.1 General assumptions

In preparing the Forecast Financial Information for the year ending 30 June 2026 the following general assumptions have been adopted:

- > an implementation of the Proposed Transaction on 1 August 2025;
- > no significant change in economic conditions (including retail property market and financial market stability);
- > no significant change in the competitive operating environment;
- > no unexpected changes to the statutory, legal or regulatory environment which would be detrimental to BWP in any of the jurisdictions in which it operates;
- > no changes in current Australian tax legislation;
- > no material changes in AAS and interpretations, other mandatory professional reporting requirements or the Corporations Act that would have a material impact on the consolidated financial performance, cashflows, financial position, distributions, accounting policies, financial reporting or disclosures;
- > key personnel, particularly senior management, are retained;
- > no material litigation or contract disputes;
- > no acquisitions or disposals of investment properties;

- > no material change in capital expenditure requirements from those included in the Forecast Financial Information caused by factors outside BWP's control;
- > no significant amendment to any material contracts relating to the Business;
- > no movement in the fair value of investment properties;
- > no movement in the fair value of derivatives;
- > all existing leases are enforceable and performed in accordance with their terms; and
- > the Proposed Transaction proceeds in accordance with the timetable set out in the Explanatory Memorandum.

7.6.2 Specific assumptions – BWP

The Forecast Financial Information for BWP has been prepared by the BWPM Board based on an assessment of each individual property of BWP. In preparing the Forecast Financial Information, the BWPM Board has taken into account the tenancy schedule, historical performance metrics and future outlook for each individual property, and the current market conditions as applicable to BWP.

The specific, best-estimate assumptions applied in preparing the Forecast Financial Information for the year ending 30 June 2026 are described below.

PROPERTY INCOME

Property income has been forecast on a property-by-property basis based on existing leases, including the impact of the Lease Reset and Extension and including assumptions for future occupancy rates, tenant retention and rent reviews. For CPI annual rent escalations a CPI of 2.5% has been assumed.

The projections in relation to property income are based on a number of assumptions and subject to a number of risks in relation to the operations of the properties. Investors are already exposed to these risks, as investors in the BWP Trust.

PROPERTY EXPENSES

Property expenses have been forecast on a property-by-property basis based on current outgoing expectations and best estimate assumptions relating to operational requirements of each property.

FINANCE COSTS

All debt relating to the transaction using funds from current debt facilities have assumed an average cost of debt of 4.73% over the 12 months, reflecting best estimates of the BBSY over this period and an appropriate margin across the BWP Trust's bank debt facilities. The refinancing of other BWP Trust's debt facilities maturing during the year including any further increases in debt facilities required to fund future capital works has been based on the future interest rate swap rates and the expected margin to be payable at the time of expected refinancing.

The projections in relation to finance costs are based on a number of assumptions and subject to a number of risks in relation to future movements in interest rates, availability of funding and other factors relating to the credit markets. Investors are already exposed to these risks, as investors in the BWP Trust.

FINANCE INCOME

Finance income is interest income on bank deposits and is recognised as the interest accrues, using the effective interest method.

DISTRIBUTION REINVESTMENT PLAN

The distribution reinvestment plan will be suspended for the distribution relating to the six months ending 30 June 2025. The Forecast Financial Information does not assume new Stapled Securities are issued under the distribution reinvestment plan in FY2026F.

OTHER EXPENSES

Other expenses include employee benefits expenses and corporate and administration costs. These do not include non-recurring transaction costs associated with the Proposed Transaction, which are shown separately.

7.7 Impact of the transaction on the FY2026 forecast

The table below outlines the impact of the Proposed Transaction on the expected performance of the business for the year ending 30 June 2026 by reconciling the forecast consolidated income statement for BWP for the year ending 30 June 2026 based on an as is basis (see column entitled 'Pre-internalisation FY2026F') with the FY2026 statutory forecast. The key impacts are:

- > the removal of the management fees that will no longer be payable should Implementation occur and the addition of internalised operating expenses for the financial year ending 30 June 2026;
- > the inclusion of expenses paid for certain services (principally office rent, information technology services and accounting, tax and treasury) provided by Wesfarmers from their own group arrangements under the CASA. Costs under this arrangement are fixed for a term of two years at which point they will be re-assessed on an arm's length basis and if these services are provided under the CASA this would result in an approximate increase of \$340,000 per annum from FY2028. Subject to the cost of replacing these services, it is management's intention to progressively replace the services under the transitional services agreement with BWP's own direct arrangements;
- > the interest expense associated with the cash payment to Wesfarmers to internalise the management functions of BWP, including working capital adjustments (see column entitled 'Internalisation');
- > the transaction impact arising from the amendment to 14 Bunnings Leases to apply single holding land tax thereby increasing the non-recoverable expenses; and
- > the funding costs associated with BWP's share of the additional capital expenditure commitments forecast for the financial year ending 30 June 2026 (see column entitled 'Capital Expenditure Commitments'). The aggregate of the forecast net operating costs for BWP and the Adjustments are presented in the column entitled 'FY2026F' to inform the reader of the total forecast impact to the income statement of the Proposed Transaction.

Explanatory forecast consolidated statement of profit or loss

12 months to 30 June 2026F	Pre- internalisation FY2026F	Internalisation	Lease Reset and Extension	Capital Expenditure Commitments	FY2026F
\$ millions					
Revenue	202.9	0.4	(0.2)	–	203.1
Finance costs	(36.0)	(5.0)	–	(0.1)	(41.0)
Responsible entity's fees	(22.0)	20.2	–	–	(1.9)
Operating costs (internally managed)	–	(9.6)	–	–	(9.6)
Transaction costs	–	(2.5)	–	–	(2.5)
Other operating expenses	(14.6)	–	(0.6)	–	(15.2)
Tax expense	–	(0.3)	–	–	(0.3)
Total expenses	(72.6)	2.8	(0.6)	(0.1)	(70.5)
Profit for the period	130.2	3.3	(0.9)	(0.1)	132.6
(+) One-off transaction costs	–	2.5	–	–	2.5
Normalised profit for the period	130.2	5.8	(0.9)	(0.1)	135.1

Notes:

- > Transaction costs associated with the Proposed Transaction are non-recurring in nature and will be funded out of existing unutilised debt facilities and will be added back for distribution purposes. Investors should note that \$3.3 million of transaction costs have been incurred in FY2025.
- > No amounts have been shown for fair value movements of investment properties and derivatives and no amounts reflected in other comprehensive income / (loss) as there are variables relating to future external economic factors to the extent that BWP is not able to provide a reasonable forecast.

7.7.1 Forecast consolidated distribution statements

The table below outlines the Forecast Consolidated Distribution Statements for the year ending 30 June 2026 and is based on an implementation of the Proposed Transaction on 1 August 2025.

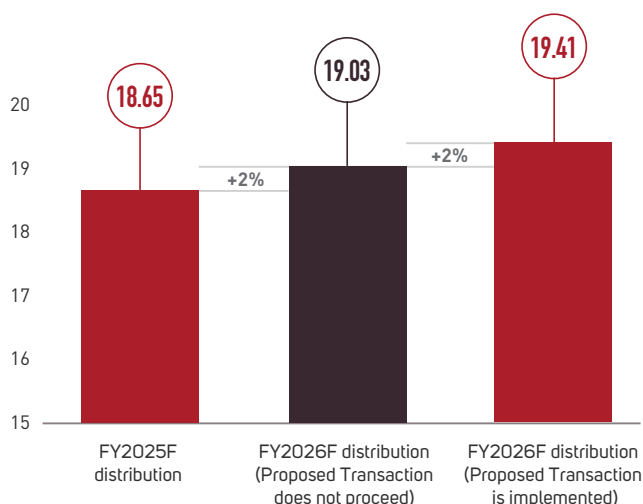
Forecast consolidated distribution statements

12 months to 30 June				
\$ millions	FY2025F	Pre-internalisation FY2026F	Transaction Adjustments	FY2026F
Normalised profit for the period	268.3	130.2	4.8	135.1
Capital profits released from undistributed profit	0.7	5.6	–	5.6
Net unrealised (gains)/losses in fair value of investment properties	(135.9)	–	–	–
Distributable profit for the year	133.1	135.8	4.8	140.6
Opening undistributed profit	–	–	–	–
Closing undistributed profit	–	–	–	–
Distributable amount	133.1	135.8	4.8	140.6
Distribution – ordinary (cents per security)	18.65	19.03		19.41
Securities on issue	713.5	713.5	10.9	724.4
Distribution accretion				2.0%
Distribution accretion – full-year basis⁴⁵				2.3%

BWP pays out 100 per cent of distributable profit each period, in accordance with the Existing BWP Trust Constitution.

The impact of the Proposed Transaction on distribution forecast for the year ending 30 June 2026 is expected to be 2.0 per cent accretive to the forecast distribution excluding the Proposed Transaction (i.e. under the current structure and management arrangements). Pro forma for a full-year basis, that is assuming the Proposed Transaction was implemented on 1 July 2025, the accretion to distributions would have been 2.3 per cent⁴⁶. The accretion to distributions is relative to BWP's distribution forecast for the year ending 30 June 2026, had the Proposed Transaction not been implemented, as shown in the figure below.

Distribution forecast excluding the impact of the Proposed Transaction and including implementation of the Proposed Transaction scenarios (cents per security)



⁴⁵ Distribution accretion on a full-year basis assumes implementation of the Proposed Transaction on 1 July 2025, resulting in a Distributable amount of \$141.0 million and a Distribution of 19.47 per ordinary security.

⁴⁶ Distribution accretion on a full-year basis assumes implementation of the Proposed Transaction on 1 July 2025, resulting in a Distributable amount of \$141.0 million and a Distribution of 19.47 per ordinary security.

The distribution forecast for the year ending 30 June 2026 is 19.41 cents per security. This distribution forecast assumes:

- > Implementation occurs on the Implementation Date (the annualised FY2026 distribution assuming implementation on 1 July 2025 is forecast to be 2.3 per cent accretive to the FY2026 distribution forecast excluding the Proposed Transaction); and
- > there is no unforeseen material deterioration to existing economic conditions.

7.8 Sensitivities

7.8.1 Forecast profit for the year ending 30 June 2026

The forecast normalised profit for the period is based on a number of key assumptions which are outlined at **section 7.6**. These estimates and assumptions are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of BWP and based on assumptions with respect to future business decisions or actions which are subject to change. The forecast normalised profit for the period is also subject to a number of risks as outlined in **section 5** of this Prospectus.

Investors should be aware that future events cannot be predicted with certainty and, as a result, deviations from the forecast in this Prospectus are to be expected. To assist Investors in assessing the impact of these assumptions on the forecast normalised profit for the period, the sensitivity of the forecast to changes in certain key assumptions is set out below.

The sensitivity analysis is intended to provide a guide only and variations in actual performance could exceed the ranges shown.

Forecast normalised profit for the period for the year ending 30 June 2026

	Change	\$ millions
Base case excluding transaction costs		135.1
Change in average annual interest rate on incremental debt ⁴⁷	+50bps/-50bps	134.6/135.6
Change in net rental income	-3%/+3%	129.0/141.1
Change in internalised management costs	-10%/+10%	136.0/134.1

The estimated impact of changes in each of the variables has been calculated in isolation in order to illustrate the impact on the forecast normalised profit for the period. In practice, changes in variables may offset each other or may be cumulative.

⁴⁷ Incremental debt refers to the \$115.1 million in total debt drawn to fund the Proposed Transaction (see **section 7.9**) for further details.

7.9 Funding for the Proposed Transaction

The total funding required in connection with the Proposed Transaction is estimated to be approximately \$157.7 million. The sources and uses of funds are set out below:

Sources	\$m	%
New Stapled Securities issued to Wesfarmers	42.6	27
Debt funding – Cash consideration to Wesfarmers	97.4	62
Debt funding – Regulatory capital & transaction costs	17.6	11
Total sources	157.7	100

Uses	\$m	%
Net Internalisation Payment ⁴⁸	140.0	89
Regulatory capital requirements for the responsible entity	11.8	7
Transaction costs	5.9	4
Total uses	157.7	100

7.10 Commitments

In addition to existing commitments disclosed in previous financial reports, as part of the Proposed Transaction, BWP has committed to fund \$15 million of additional capital expenditure to upgrade ageing properties. This capital expenditure commitment would not be Rentalised but is subject to development approvals and completion of legal documentation and is to be completed within five years of Implementation.

Additionally, BWP and Bunnings have agreed to undertake store expansion capital expenditure at five Bunnings sites representing a total of \$56 million in expansion capital expenditure, with works to commence within three years of Implementation. This capital expenditure is subject development approvals, board approvals and completion of legal documentation, and Rentalisation at a funding rate equal to the five-year swap rate plus a margin of 200 basis points, with this increased rent to contribute to future rental growth for BWP. See **section 1.5.7** in the Prospectus for further details and a breakdown of the capital expenditure by property.

7.11 Summary of material accounting policies

The material accounting policies used to prepare the Financial Information are consistent with those disclosed in BWP Trust's financial statements for the year ended 30 June 2024. Relevant accounting policies, namely business combinations, employee benefits, intangibles and income tax are also disclosed below.

The preparation of the Financial Information requires estimates, judgments and assumptions that affect the reported amounts. Actual results may differ from these estimates under different assumptions or conditions. Revisions to estimates are recognised in the period in which the estimate is revised and in any future period affected.

The material accounting policies below apply estimates, judgments and assumptions which could materially affect the financial performance and/or financial position reported in future periods.

⁴⁸ Reflects the Internalisation Purchase Price of \$142.6 million less \$2.6 million of net working capital adjustments and liabilities assumed from Wesfarmers relating to employee leave entitlements.

A. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of BWP.

The financial statements of subsidiary entities are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

In preparing the consolidated financial statements, all inter-entity balances and transactions, income and expenses and profits and losses resulting from intra-group transactions have been eliminated.

Subsidiaries are consolidated from the date on which control is obtained to the date on which control is disposed. Acquisitions of subsidiaries which qualify as business combinations are accounted for using the acquisition method of accounting.

B. BUSINESS COMBINATIONS

On 24 January 2024, the BWP Trust announced that it had entered a Bid Implementation Deed with NPR as responsible entity of NPR REIT in relation to a proposal to merge the BWP Trust with NPR REIT (the **Merger Proposal**) by way of an off-market takeover.

The Merger Proposal was for an all-scrip transaction, pursuant to which NPR REIT securityholders received 0.4 BWP Trust Units for every 1.0 NPR REIT security held (the **Merger Ratio**). BWP gained a controlling interest in the stapled securities of NPR REIT on 28 March 2024, with BWPM (as responsible entity of the BWP Trust) completing the compulsory acquisition of the NPR REIT securities, under the provisions of the Corporations Act on 21 June 2024 and hence owning 100 per cent of issued NPR REIT securities at 30 June 2024.

The consolidated results presented in this report include NPR REIT from 28 March 2024, being the date BWPM (as responsible entity of the BWP Trust) obtained control of NPR REIT.

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the following:

- > fair values of the assets transferred;
- > liabilities incurred to the former owners of the acquired business;
- > equity interest issued by the stapled group;
- > fair value of any asset or liability resulting from a contingent consideration arrangement; and
- > fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill.

C. REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

As required under AASB 16 Leases, rental income from operating leases is recognised on a straight-line basis over the lease term for leases that have fixed rental increases. Leases that are based on a variable future amount, including CPI linked rental increases, are only recognised when contractually due. An asset will be recognised to represent the portion of operating lease revenue in a reporting period relating to fixed increases in operating lease revenue in future periods. These assets are recognised as a component of investment properties.

D. RESPONSIBLE ENTITY'S FEES

The responsible entity fees described in this section have applied historically to BWP Trust (including NPR as appropriate) and will continue to apply until Implementation of the Proposed Transaction. From Implementation the management fees detailed in this section will no longer apply.

BWPM (as responsible entity of the BWP Trust) is entitled to a management fee payable quarterly in arrears of 0.55 per cent per annum of the gross asset value of BWP.

BWPM (as responsible entity of the BWP Trust) is also entitled to a fee calculated at the rate of 0.05 per cent per annum of the gross asset value of BWP up to \$200 million and 0.035 per cent per annum of the amount by which the gross asset value of BWP exceeds \$200 million.

BWPM (as responsible entity of the BWP Trust) may waive the whole or any part of the remuneration to which it would otherwise be entitled.

On control of NPR REIT being achieved, and prior to 100 per cent ownership of NPR REIT, the management fee being paid to NPRM, the responsible entity of the NPR Sub-Trusts and 100 per cent owned subsidiary of BWPM, was maintained at 0.60 per cent of the gross asset value. On 100 per cent ownership of NPR REIT being achieved, the trust deeds were amended to align the management fee with the fee charged by BWPM.

E. FINANCE COSTS

Finance costs are recognised as an expense when incurred, with the exception of interest charges on funds invested in properties with substantial development and construction phases, which are capitalised to the property until such times as the construction works are complete.

The capitalisation rate used to determine the amount of finance costs to be capitalised is the weighted average interest rate applicable to BWP's outstanding borrowings during the year.

F. CASH AT BANK

Cash in the consolidated balance sheet, and for the purposes of the consolidated statement of cash flows, comprises cash at bank and short-term deposits. Cash at bank earns interest at floating rates based on daily bank deposit rates.

G. ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Immediately before classification as held for sale the assets are remeasured in accordance with BWP's other accounting policies. Thereafter the assets are measured at the lower of their carrying amount and fair value less costs to sell.

H. INVESTMENT PROPERTIES

Investment property is initially measured at cost, including the associated transaction costs including but not limited to stamp duty, and subsequently at fair value with any change therein recognised in profit and loss.

Subsequent revaluations to fair value according to BWP's revaluations policy may result in associated transaction costs appearing as a negative adjustment (loss) in fair value for the respective property, should the property be revalued to the initial purchase price.

Where assets have been revalued, the potential effect of the CGT on disposal has not been taken into account in the determination of the revalued carrying amount. BWP does not expect to be ultimately liable for CGT in respect of the sale of assets as all realised capital gains would be attributed to Investors.

I. FAIR VALUE – HIERARCHY

BWP is required to categorise the fair value measurement of investment properties based on the inputs to the valuations technique used. All investment properties have been categorised on a Level 3 fair value basis as some of the inputs required to value the properties are not based on "observable market data".

J. FAIR VALUE – VALUATION APPROACH

BWP has a process for determining the fair value of investment properties at each balance date, applying generally accepted valuation criteria, methodology and assumptions detailed below. Valuations are completed based on current market evidence at the date of each report, reflecting known criteria at that time and do not include unknown future impacts.

An independent valuer, having an appropriate professional qualification and recent experience in the location and category of property being valued, values individual properties every three years on a rotation basis. The independent valuer determines the most appropriate valuation method for each property.

Properties that have not been independently valued as at balance date are carried at fair value by way of directors' valuation.

Discounted cash flow

The discounted cash flow method calculates a property's value by using projections of reliable estimates of future cash flows, derived from the term of any existing leases, and from external evidence such as current market rents for similar properties in the same area and condition, and using discount rates that reflect the current market assessments of the uncertainty in the amount and timing of cash flows specific to the asset.

Capitalisation of income valuation

The capitalisation of income valuation method capitalises the current rent received, at a rate analysed from the most recent transactions of comparable property investments. The capitalisation rate used varies across properties. Valuations reflect, where appropriate, lease term remaining, the relationship of current rent to the market rent, location, prevailing investment market conditions and for Bunnings sites, distribution of competing hardware stores. Under this Proposal if approved, it is expected that a number of properties' valuation will increase slightly due to a lower capitalisation rate applied by valuers due to the increased lease term on those properties.

K. LEASES

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreements so as to reflect the risks and benefits incidental to ownership.

BWP has determined that it retains all the significant risks and rewards of ownership of these properties and has thus classified the leases as operating leases.

The rental revenues of operating leases are included in the determination of the net profit in accordance with the revenue recognition policy in **section 7.11 C**. Leasing fees incurred in relation to the ongoing renewal of major tenancies are deferred and amortised over the lease period to which they relate. Lease incentives, which may take the form of up-front payments, contributions to certain lessees' costs, relocation costs and fit-outs and improvements, are recognised on a straight line basis over the lease term as a reduction of rental income.

L. INTANGIBLES

Intangible assets are identifiable, non-monetary assets without physical substance. They are recognised only if it is probable the asset will generate future benefits for the stapled group.

Goodwill

Goodwill is measured as described in **section 7.11 B**. above. Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets acquired at the date of the acquisition. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

Impairment of intangibles

Goodwill and intangible assets that have an indefinite life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

M. PAYABLES AND DEFERRED INCOME

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not these have been billed to BWP. These liabilities are normally settled on 30-day terms except for the responsible entity's fees payable, which are settled quarterly in arrears, and retention monies withheld on construction projects which are settled according to the terms of the construction contracts.

N. DISTRIBUTIONS PAID OR PAYABLE

Each reporting period the BWPM Board is required to determine the distribution entitlement of the Investors in respect of the period. Any amounts so determined but not paid by the end of the period are recorded as a liability.

O. EMPLOYEE BENEFITS

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave in the period the related service is rendered.

Liabilities recognised in respect of short term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured at their present value of the estimate future cash outflows to be made by the stapled group in respect of services provided by employees up to the reporting date.

The obligations are presented as current liabilities in the balance sheet of the stapled group when the group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

P. INTEREST BEARING LOANS AND BORROWINGS

The borrowings under the bank debt facilities are not secured by assets of BWP but are subject to reporting and financial undertakings by BWP to the banks under negative pledge agreements with each bank. BWP's corporate bonds are also not secured by assets of BWP but are subject to similar reporting and financial undertakings as the bank debt facilities. Borrowings are classified as non-current liabilities if there is an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

All interest-bearing loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are interest-bearing are included as part of the carrying amount of loans and borrowings.

Q. ISSUED CAPITAL

BWP Trust Units on issue

BWP Trust Units on issue are recognised at the fair value of the consideration received by the BWP Trust. Any transaction costs arising on the issue of BWP Trust Units are recognised directly in equity as a reduction of the Unit proceeds received.

Rights

The BWP Trust is a unit trust of no fixed duration and the BWP Trust Units have no right of redemption.

Each BWP Trust Unit entitles the BWP Trust Unitholder to receive distributions as declared and, in the event of winding up the BWP Trust, to participate in all net cash proceeds from the realisation of assets of the BWP in proportion to the number of and amounts paid up on Units held.

Distribution reinvestment plan

The BWP Trust operates a distribution reinvestment plan. An issue of BWP Trust Units under the distribution reinvestment plan results in an increase in issued capital unless the Units are acquired on-market.

R. HEDGE RESERVE

This reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

S. EARNINGS PER BWP TRUST UNIT

Basic earnings per BWP Trust Unit is calculated as net profit attributable to Investors divided by the weighted average number of BWP Trust Units. The diluted earnings per BWP Trust Unit is equal to the basic earnings per BWP Trust Unit.

T. REMUNERATION POLICY

Prior to Implementation of the Proposed Transaction the remuneration policy applies as outlined below.

Remuneration expenses of the directors and executives of BWPM are not borne by BWP. Directors are remunerated by BWPM and management services are provided to BWPM by Wesfarmers.

Each director is entitled to director's fees and/or superannuation for their services and the reimbursement of reasonable expenses.

The fees paid reflect the demands on, and the responsibilities of, those directors. The advice of independent remuneration consultants is taken to establish that the fees are in line with market standards. Directors do not receive option or bonus payments, nor do they receive retirement benefits in connection with their directorships. There are currently no equity incentive schemes in relation to the BWP Trust.

Wesfarmers employees seconded to BWP to provide management services to BWP are engaged in dedicated roles to act exclusively for the responsible entity on behalf of BWP and are paid directly by Wesfarmers. Short-term incentives paid by Wesfarmers to employees engaged by BWPM are based on the financial performance of BWP and the delivery of BWP's strategic initiatives.

The right of BWPM to be remunerated and indemnified by the BWP Trust is set out in the Existing BWP Trust Constitution. The Existing BWP Trust Constitution is lodged with ASIC and is available to Investors on request

The proposed remuneration policy to be adopted after implementation is set out in **sections 9.5 and 9.6**.

U. IMPAIRMENT

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

In circumstances where impairment losses are deemed, these are included in the statement of profit or loss and other comprehensive income.

V. GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (**GST**) except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

W. INCOME TAX

BWP Trust

Under current income tax legislation, BWP Trust is not liable to pay income tax as the net income of BWP Trust is assessable in the hands of unitholders who are "presently entitled" to the income of BWP Trust. There is no income of the Trust to which the unitholders are not presently entitled.

As a result, deferred tax has not been recognised in the Financial Information in relation to differences between the carrying amounts of asset and liabilities and their respective tax bases, including taxes on capital gains which could arise in the event of a sale of investments for the amount at which they are stated in the Financial Information. In the event that taxable gains are realised by BWP Trust, these gains would be included in the taxable income that is assessable in the hands of the unitholders as noted above.

Realised capital losses are not distributed to unitholders but are retained within BWP Trust to be offset against any realised capital gains. The benefits of any carried forward capital losses are generally not recognised in the Financial Information on the basis that BWP Trust is a flow through trust for Australian tax purposes. If in any period realised capital gains exceed realised capital losses, including those carried forward from earlier periods and eligible for offset, the excess is included in taxable income that is assessable in the hands of unitholders in that period and is distributed to unitholders in accordance with the requirements of the BWP Trust's constitution.

BWP Property Group and its subsidiaries

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

8 Tax information for investors

The information contained in this **section 8** is general in nature only. It does not constitute tax advice, nor should it be relied on as such.

This **section 8** outlines the general Australian taxation implications for Investors in respect of the Proposed Transaction.

This **section 8** covers the tax implications for Resident Investors and Non-Resident Investors who are individuals, complying superannuation entities and companies that hold (or will hold) their BWP Trust Units and Stapled Securities (as applicable) on capital account. It does not purport to be a complete analysis of the potential tax consequences of the Proposed Transaction. It is intended to serve as a general guide to the Australian tax implications only.

Specifically, BWP has not considered the Australian tax consequences with respect to Investors who:

- > hold their BWP Trust Units or will hold their Stapled Securities as revenue assets or trading stock;
- > are dealers in securities;
- > are Resident Investors who hold their BWP Trust Units or will hold their Stapled Securities as part of an enterprise carried on, at or through a permanent establishing in a foreign country;
- > are temporary residents or change their tax residence while holding BWP Trust Units or Stapled Securities;
- > acquired their interests under any employee share scheme;
- > are subject to the taxation of financial arrangements (TOFA) regime in relation to gains and losses for their Units and Stapled Securities; or
- > are subject to special tax rules, including financial institutions, insurance companies, partnerships, tax exempt organisations, trusts (except where explicitly stated), superannuation funds (except where explicitly stated) and entities subject to the Investment Manager Regime under Subdivision 842-I of the *Income Tax Assessment Act 1997* (Cth) in respect of their BWP Trust Units or Stapled Securities.

All Investors should seek independent professional advice regarding the consequences of participating in the Proposed Transaction based on their particular circumstances.

Non-Resident Investors should obtain advice on the taxation implications of the Proposed Transaction in their local jurisdictions.

This **section 8** is based on the provisions of the *Income Tax Assessment Act 1936* (Cth), *Income Tax Assessment Act 1997* (Cth), the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and related Acts, regulations and Australian Taxation Office (ATO) rulings and determinations applicable as at the date of this Prospectus.

The observations in this **section 8** are based on Australian taxation laws and administrative practice as at the date of this Prospectus. Taxation laws and their interpretation may change from time to time. The observations in this summary do not take account of any changes in Australian tax laws, administrative practice or judicial interpretation of tax laws after this time, including any changes that may have retrospective application.

8.1 Tax consequences of the Proposed Transaction

8.1.1 Tax status of the BWP Trust

The BWP Trust has elected into the AMIT regime for Australian taxation purposes. The Proposed Transaction should not change the tax status of the BWP Trust as an AMIT.

Accordingly, Investors should continue to be taxed in accordance with the AMIT regime.

8.1.2 In-specie capital distribution of BWP Property Group Shares

Resident Investors

The distribution of BWP Property Group Shares to Resident Investors in connection with the Proposed Transaction (**Capital Distribution**) should not be treated as assessable income. Rather, the Capital Distribution should either give rise to a capital gain or reduce the cost base that Resident Investors have in their BWP Trust Units under CGT event E10.

Resident Investors may make a capital gain from the Capital Distribution if the value of the Capital Distribution received (of \$0.1922 per BWP Trust Unit) exceeds the relevant Resident Investor's cost base in their respective BWP Trust Units.

Conversely, if the Capital Distribution received is less than the relevant Resident Investor's cost base in the BWP Trust Units, the relevant Resident Investor's cost base in their BWP Trust Units will be reduced by the Capital Distribution. That is, Resident Investors will not make a capital gain unless their cost base in their BWP Trust Units is less than the Capital Distribution received.

The Capital Distribution cannot give rise to a capital loss.

If a capital gain does arise, the date of the capital gain will be just before the end of the income year in which the Capital Distribution is received, rather than the time of the actual Capital Distribution. For example, for Resident Investors with a standard 30 June income year, the capital gain will occur just before 30 June 2026 on the basis that the Capital Distribution is to occur on 1 August 2025.

Individuals, complying superannuation entities or trustees that have held BWP Trust Units for at least 12 months before the date of the capital gain should be entitled to discount the amount of the capital gain (after application of capital losses) arising from the Capital Distribution. In broad terms, the CGT discount:

- > generally requires the relevant BWP Trust Units to have been held for at least 12 months or more before the date of the capital gain;
- > is only available to individuals (50 per cent discount), trusts (50 per cent discount), and complying superannuation entities (33.33 per cent discount);
- > may also apply where a trust or partnership distributes the capital gain to a taxpayer who may be entitled to the CGT discount, subject to satisfying certain conditions; and
- > is not available to Resident Investors that are companies or entities deemed to be companies for Australian tax law purposes.

The cost base in the BWP Trust Units will depend on the particular circumstances of the relevant Resident Investor. The cost base of a BWP Trust Unit will generally include the cost of acquisition and certain incidental costs of acquisition that are not deductible, taking into account any cost base adjustments for tax deferred distributions and any upwards and downwards adjustments under the AMIT regime.

Information to assist Resident Investors to determine their cost base adjustments is available on the BWP website at <https://www.bwptrust.com.au/site/investor-centre/distribution-tax>.

Resident Investors who acquired their BWP Trust Units as part of the IPO of the BWP Trust (**IPO Investor**) are not expected to make a capital gain as a result of the Capital Distribution. Prior to receiving the Capital Distribution, the BWP Trust has calculated that such IPO Investors should have a cost base in each BWP Trust Unit of \$0.2197.⁴⁹ The Capital Distribution will further reduce an IPO Investor's cost base in a BWP Trust Unit by \$0.1922 to \$0.0275.

An IPO Investor's cost base in each BWP Property Group Share they hold should be \$0.1922. Therefore, an IPO Investor's cost base in each resulting Stapled Security they hold would be \$0.2197, which is equal to the IPO Investor's current cost base in each BWP Trust Unit they hold. Essentially, the IPO Investor's current BWP Trust Unit cost base has been split across the BWP Trust Unit and the new BWP Property Group Share to be stapled to that BWP Trust Unit.

Investors who acquired their BWP Trust Units following the listing of the BWP Trust or as part of the acquisition of NPR REIT will need to determine the cost base of their BWP Trust Units. In particular, we recommend that Investors who acquired their BWP Trust Units in connection with BWP's off-market takeover of NPR REIT during the 2024 financial year should speak to their tax advisor to confirm the cost base of their BWP Trust Units.

Non-Resident Investors

Non-Resident Investors who hold their BWP Trust Units on capital account should not be subject to the Australian CGT regime provided that the BWP Trust Units are not taxable Australian property.

Under current law, a BWP Trust Unit will be taxable Australian property if:

- > more than 50 per cent of the value of the BWP Trust is attributable to Australian real property (the **Principal Asset Test**) and the interest passes the non-portfolio test just before the CGT event or throughout a 12-month period that began no earlier than 24 months before that time. An interest held by an entity in another entity passes the non-portfolio interest test at a time of the sum of the 'direct participation interests' held by the first entity and its associates in the other entity at the time is 10 per cent or more; or
- > the Non-Resident Investor holds their BWP Trust Units in carrying on a business through a permanent establishment in Australia; or
- > the Non-Resident Investor elected to treat the BWP Trust units as taxable Australian property at the time they ceased to be an Australian resident (if the Non-Resident Investor was ever an Australian resident).

Relevant Non-Resident Investors need to assess whether these requirements are met at the time of the CGT event. Non-Resident Investors are encouraged to obtain independent tax advice to confirm whether these provisions apply to their individual circumstances.

8.1.3 Cost base in BWP Property Group Shares

The cost base implications for the BWP Property Group Shares as a result of the Capital Distribution are set out below.

Resident Investors

The cost base that the Investors will have in the BWP Property Group Shares that they receive will include the value of the Capital Distribution received, being \$0.1922 per BWP Trust Unit.

The date of acquisition of the BWP Property Group Shares for CGT purposes will be the date on which the BWP Property Group Shares are distributed to the Resident Investors, which is expected to be 1 August 2025.

Non-Resident Investors

The cost base implications for Non-Resident Investors should be similar to those applicable for Resident Investors set out above.

If BWP Property Group Shares are not taxable Australian property (refer to **section 8.1.2**), Non-Resident Investors should not be subject to CGT on disposal of their BWP Property Group Shares.

8.1.4 Stapling of BWP and BWP Property Group

No tax consequences should arise from the stapling of the BWP Trust Units to the BWP Property Group Shares for both Resident Investors and Non-Resident Investors.

8.2 Tax implications of holding stapled securities

Following the Proposed Transaction, Investors will hold an interest in each of the individual BWP Trust Units and BWP Property Group Shares and will be entitled to receive dividends or distributions (as applicable) in respect of those securities.

8.2.1 General consequences of holding stapled securities

Investors need to separately account for each component of the Stapled Security for tax purposes.

Specifically:

- > Investors will receive, and separately deal with the tax consequences of, dividends from BWP Property Group and distributions from the BWP Trust; and
- > when the Stapled Securities are disposed of by an Investor, the relevant Investor will have to separately consider and account for the tax issues associated with disposing of the BWP Trust Units and the BWP Property Group Shares.

⁴⁹ This is calculated as the IPO acquisition price of \$1.00, taking into account cost base adjustments from September 1998 to the interim distribution paid on 26 February 2025.

8.2.2 Income distributions from BWP

The BWP Trust has elected into the AMIT regime and will continue to be subject to the AMIT regime following Implementation. Accordingly, Investors should generally be taxed in the same manner in respect of distributions from the BWP Trust as they currently are in accordance with the AMIT regime.

As an AMIT, the BWP Trust will be required to determine its 'determined trust components' each income year, which broadly reflect the taxable income of the BWP Trust split into various classes of income for tax purposes. These components are then 'attributed' to the Investors.

BWPM (as responsible entity of the BWP Trust) should generally not be subject to tax in respect of Australian income and capital gains derived provided:

- > the Investors are attributed (in full) the 'determined trust components' of the BWP Trust within three months of the end of each income year; and
- > the BWP Trust carries on an eligible passive investment business only, eg investment in land for the purposes of deriving rent.

8.2.3 Dividends from BWP Property Group

Resident Investors

Resident Investors will include dividends paid by BWP Property Group in their assessable income. Resident Investors will also generally include any franking credits attached to such dividends in their assessable income. Where this applies, the relevant Resident Investor will generally be entitled to a corresponding tax offset.

To be eligible for the franking credit and tax offset, the Resident Investor must have held the BWP Property Group Shares 'at risk' for at least 45 days. This excludes the date of the BWP Property Group Share's acquisition/disposal. This rule should not apply to a Resident Investor if the Resident Investor is an individual whose tax offset entitlement (on all BWP Property Group Shares and interests in BWP Property Group Shares held) does not exceed \$5,000 for the income year in which the franked dividend is paid.

If the Resident Investor is an individual or a complying superannuation entity, they may be entitled to a refund to the extent that the franking credits attached to the Investor's dividends exceed the Resident Investor's tax liability for the income year.

If the Resident Investor is a corporate shareholder, any franked dividends received will generally give rise to a franking credit in its franking account.

Non-Resident Investors

Non-Resident Investors should not be assessed on the amount of any dividend received from BWP Property Group. However, BWP Property Group will be required to withhold tax from any unfranked component of dividends paid to a Non-Resident Investor. If no DTA applies, withholding tax will apply at 30 per cent of the unfranked component of the dividend. This rate may be reduced where the Investor is tax resident of a country that has executed a DTA with Australia.

8.3 Disposal of stapled securities

8.3.1 General

Notwithstanding that the BWP Trust Units and BWP Property Group Shares will be stapled, for CGT purposes they should each be treated as separate CGT assets. Accordingly, where an Investor disposes of a Stapled Security, for CGT purposes the Investor will be taken to have separately disposed of a BWP Trust Unit and a BWP Property Group Share.

Where consideration is received in connection with a transaction relating to more than one CGT asset, the capital proceeds for each asset is the portion of the total consideration that is reasonably attributable to that asset.

As such, the capital proceeds referable to disposing of each individual BWP Trust Unit and BWP Property Group Share comprising a Stapled Security will be determined by apportioning the total capital proceeds received from the disposal of the Stapled Security between the BWP Trust Unit and BWP Property Group Share on a reasonable basis.

8.3.2 Resident Investors

On disposing of a Stapled Security, a Resident Investor will make a capital **gain** if:

- > the portion of the consideration reasonably attributable to a BWP Trust Unit exceeds the cost base of the BWP Trust Unit; and/or
- > the portion of the consideration reasonably attributable to a BWP Property Group Share exceeds the cost base of the BWP Property Group Share.

On disposing of a Stapled Security, a Resident Investor will make a capital **loss** if:

- > the portion of the consideration reasonably attributable to a BWP Trust Unit is less than the reduced cost base of the BWP Trust Unit; and/or
- > the portion of the consideration reasonably attributable to a BWP Property Group Share is less than the reduced cost base of the BWP Property Group Share.

In broad terms, the cost base of a:

- > BWP Trust Unit is the amount paid for it by the Investor (including incidental costs of acquisition and disposal), taking into account any cost base adjustments, including the Capital Distribution; and
- > BWP Property Group Share should be the Capital Distribution.

Resident Investors who realise a capital gain from disposing of Stapled Securities may be entitled to a CGT discount if eligible (refer to **section 8.1**).

8.3.3 Non-resident investors

Any capital gain or capital loss made by Non-Resident Investors from disposing of BWP Trust Units or BWP Property Group Shares should be disregarded provided the relevant BWP Trust Units or BWP Property Group Shares (as applicable) are not taxable Australian property. The analysis as to when a BWP Trust Unit or BWP Property Group Share will be considered taxable Australian property is discussed above in **section 8.1**.

8.4 Goods and services tax (GST)

No GST should be payable by Investors on the distribution to them of the BWP Property Group Shares.

8.5 Stamp duty

No stamp duty should be payable by Investors in relation to the acquisition of the BWP Property Group Shares.

8.6 Other issues

Investors are not obliged to provide their TFN or ABN.

However, if an Investor does not provide their TFN, ABN or an exemption from quoting their TFN or ABN, withholding tax may apply on any gross distributions made from BWPM (as responsible entity of the BWP Trust) and dividends paid from BWP Property Group.

The Investor will be entitled to claim an income tax credit in respect of tax withheld.

9 Key People

9.1 Board and Senior Management

The BWPM Board comprises a majority of non-executive, external directors which, along with senior management, are directly involved in the governance and management of BWP.

The BWP Property Group Board currently comprises the same personnel as the current BWPM Board. If the Proposed Transaction is approved, the Stapling Deed also requires the composition of the BWP Boards to be identical or substantially the same.

9.2 Directors

The directors of BWPM and BWP Property Group are as follows:



Anthony (Tony) Howarth AO

Chair, Non-Executive External Director

Tony was appointed to the BWPM Board in October 2012 and was appointed Chair of the BWPM Board in March 2022. Tony was also appointed to the BWP Property Group Board and was appointed Chair of the BWP Property Group Board in June 2025. Tony is a Life Fellow of the Australian Institute of Company Directors and the Financial Services Institute of Australasia and has more than 30 years' experience in the banking and finance industry. He has held several senior management positions during his career, including Managing Director of Challenge Bank Limited and Chief Executive Officer of Hartleys Limited.

Tony is also a director of ASX-listed company Coventry Group Ltd. He was previously Chair of Alinta Energy Pty Limited, Home Building Society Ltd and St John of God Health Care Inc and Deputy Chair of Bank of Queensland Ltd.

Tony was a non-executive director of ASX-listed Wesfarmers Limited between 2007 and 2019.



Fiona Harris AM

Non-Executive External Director

Fiona was appointed to the BWPM Board in October 2012. Fiona was also appointed to the BWP Property Group Board in June 2025. A professional non-executive director for over 25 years, Fiona has held board positions in more than 25 companies covering a range of industries and geographies. She is a former member of the National Board and a former WA State President of the Australian Institute of Company Directors and a member of Chief Executive Women. Fiona is currently a director of unlisted companies Perron Group Limited and Linear Clinical Research Limited and was previously a director of ASX listed companies, Oil Search Limited until December 2021 and Red 5 Limited between June and December 2022.

At the BWPM Board's request and as part of BWP's off-market takeover bid for ASX-listed NPR REIT during the 2024 financial year, Fiona also joined the board of NPRM, a wholly owned subsidiary of BWPM, on 27 March 2024.

Fiona was previously a Sydney-based partner of chartered accountants, KPMG, retiring in December 1994.



Mark Scatena

Managing Director

Mark was appointed to the BWPM Board as Managing Director on 26 September 2023. Since joining the Wesfarmers Group in 2001, Mark has held senior roles across WesCEF (the Wesfarmers Chemicals, Energy and Fertilisers division of Wesfarmers), Target, Coles and Wesfarmers. Most recently he was General Manager of CSBP Fertilisers and has previously held leadership positions at Target, General Manager Strategy, Online and Supply Chain, at Wesfarmers as General Manager Investor Relations and Planning, and at Coles where he was General Manager Finance, supporting the store development, store operations and property and store network planning functions.

At the BWPM Board's request and as part of BWP's off-market takeover bid for ASX-listed NPR REIT during the 2024 financial year, Mark also joined the board of NPRM on 27 March 2024, a wholly owned subsidiary of BWPM.

At the BWPM Board's request and as part of the Proposed Transaction, Mark also joined the BWP Property Group Board in June 2025.

Mark is also a member of the St John of God Health Care and Tennis West boards.



Michael (Mike) Steur

Non-Executive External Director

Mike was appointed to the BWPM Board in February 2015. Mike was also appointed to the BWP Property Group Board in June 2025. Mike is a Sydney-based professional director who has more than 35 years' experience in property spanning valuation, asset management and advisory within Australia, New Zealand, the Pacific Islands and across Asia.

He has previously held senior executive roles at CBRE and was previously Chair of the Royal Institution of Chartered Surveyors Global Valuation Professional Group. Mike is an experienced non-executive director, currently serving on the boards of Dexu Wholesale Property Limited, Dexu Wholesale Funds Limited, Centuria Funds Management (NZ) Limited and other Centuria-related entities.

Past listed company directorships held in the last four years include the New Zealand listed Kiwi Property Group Limited.



Alison Quinn

Non-Executive External Director

Alison was appointed to the BWPM Board in December 2019. Alison was also appointed to the BWP Property Group Board in June 2025. Alison is an experienced director, CEO and executive with an extensive background in real estate, property development, seniors living and care and banking and finance.

Alison is a non-executive director of Brisbane Airport Corporation, GemLife Limited, OakTree Retirement Group, Ability First Australia Limited, Uniting Care Queensland and Economic Development Qld.



Danielle Carter

Non-Executive External Director

Danielle was appointed to the BWPM Board in December 2021. Danielle was also appointed to the BWP Property Group Board in June 2025. Danielle is a professional non-executive director who has more than 30 years' combined real estate and financial services industry experience.

Danielle has held senior executive roles at BlackRock, boutique fund manager SG Hiscock & Company, and financial advisory firm Strategic Financial Management.

At BlackRock, Danielle was a Fund Manager responsible for BlackRock Australia's listed, unlisted and direct real estate assets and a member of the Australia/Asia Investment Committee.

Danielle is a non-executive director of Dexus Asset Management Limited, the responsible entity of ASX-listed Dexus Industria REIT and ASX-listed Dexus Convenience Retail REIT. She was previously a non-executive director of APN Property Group, which was an ASX listed real estate investment manager until it became part of Dexus in August 2021.

At the BWPM Board's request and as part of BWP's off-market takeover bid for ASX-listed NPR REIT during the 2024 financial year, Danielle also joined the board of NPRM, a wholly owned subsidiary of BWPM, on 31 August 2024.

No director of BWPM or BWP Property Group has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years, which is relevant or material to the performance of their duties as director or which is relevant to an Investor's decision as to whether to approve the Proposed Transaction. No director of BWPM or BWP Property Group has been an officer of a company that has entered any form of external administration as a result of insolvency during the time that they were an officer, or within a 12-month period after they ceased to be an officer.

Non-Executive Directors

The BWPM Board and BWP Property Group Board each consist of six directors, five of which are external, Non-Executive Directors, other than Mark Scatena (who is the Managing Director). The external, Non-Executive Directors of each of BWPM and BWP Property Group are not affected by any of the following business relationships that could or could be reasonably perceived to materially affect the exercise of independent judgement:

- > being a substantial securityholder of BWPM or BWP Property Group (as applicable) or an officer of, or otherwise associated directly with, a substantial securityholder of BWPM or BWP Property Group (as applicable);
- > being employed, or being previously employed in an executive capacity by BWPM or BWP Property Group (as applicable) or another BWP group member, and there being a period of less than three years between ceasing such employment and serving on the BWPM Board or BWP Property Group Board (as applicable);
- > being a principal of a material professional advisor or a material consultant to BWPM or BWP Property Group (as applicable) or another BWP group member, or an employee materially associated with the service provided within the last three years; or
- > being a material supplier or customer of BWPM or BWP Property Group (as applicable) or other BWP group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer that has a material contractual relationship with BWPM or BWP Property Group or another BWP group member other than as an independent director.

9.3 Senior management

If Implementation occurs, the existing senior management of BWP will continue to serve as the senior management of BWP.

The senior management will comprise:

- > Mark Scatena (Managing Director);
- > David Hawkins (Head of Finance);
- > Andrew Ross (Head of Property); and
- > Warren Baillie (General Counsel & Company Secretary).

Mark Scatena – Managing Director

Refer to **section 9.2** above.

David Hawkins – Head of Finance

David has over 35 years' experience in accounting, tax and finance, having practised in Australia and the United Kingdom working with large companies and not-for-profit organisations. David joined BWP in July 2008 as corporate accountant and has been Head of Finance since October 2022.

Andrew Ross – Head of Property

Andrew has over 30 years' experience in the property industry covering valuation, property and asset management, leasing, development and funds management. He joined BWP in 2005, having previously worked as a syndicate Portfolio Manager with Centro Properties Group and Asset Manager at MCS Property in Melbourne.

Warren Baillie – General Counsel and Company Secretary

Warren Baillie is the General Counsel of BWP, the Company Secretary of BWPM and the Company Secretary of BWP Property Group. Warren is an experienced corporate and commercial lawyer, qualified chartered secretary and director. Prior to his appointment in November 2024, Warren held senior legal and governance roles at Woodside Energy Group Ltd, where he was appointed as Group Company Secretary for 12 years. Warren holds a Bachelor of Laws and a Bachelor of Commerce, and he has also completed post graduate qualifications with the Australian Institute of Directors and the Governance Institute of Australia.

9.4 Interests of members of the BWP Boards in agreements of arrangements relating to the Proposed Transaction

Other than as set out in this section or elsewhere in this Prospectus:

- > no member of the BWPM Board or BWP Property Group Board has an interest in any contract entered into which is conditional on, or related to, the Proposed Transaction; and
- > there is no agreement or arrangement between any member of the BWPM Board and another person, or any member of the BWP Property Group Board and another person, in connection with or conditional on Implementation.

9.5 Remuneration of members of the BWP Property Group Board

BWP Property Group Non-Executive Directors will receive cash fees for their services as Non-Executive Directors out of the maximum aggregate amount of \$1.5 million in any year, or such other amount as may be approved in general meeting.

The \$1.5 million includes board fees, committee fees, fees paid for sitting on the board of BWP group companies and superannuation contributions but excludes remuneration paid to an executive director (such as the Managing Director) and any amounts the BWPM Board may approve to be paid to a BWP Property Group Non-Executive Director for special exertions or additional services performed at the request of BWP.

The fees payable to BWP Property Group Non-Executive Directors for their continued service in FY2026 are:

Director fees (inclusive of superannuation)

Chairman	\$270,000
Non-Executive Director	\$128,000

Non-Executive Directors will also be paid Committee fees for each Board Committee of which they are a member. Non-Executive Directors will be paid a fee of \$25,000 per year for each Board Committee of which they are a Chair and a fee of \$7,500 per year for each Board Committee of which they are a member.

The remuneration of BWP Non-Executive Directors is not incentive based. The BWP Non-Executive Directors are not entitled to participate in any executive variable remuneration schemes, or receive any performance-based remuneration entitlements (including options over securities) that may reasonably be perceived to compromise their independence and alignment of interests with BWP's long term investors.

9.6 Remuneration of key management person of BWP

The following table lists the annualised remuneration of the Managing Director of BWPM and BWP Property Group (including statutory superannuation) to apply following Implementation for FY2026.

Role	Name	Total annual fixed rem.	Total max variable rem.	Max rem. amount paid in cash (fixed + variable)	Max rem. amount paid in restricted Stapled Securities (fixed + variable)	Total max rem. amount paid (fixed + variable)
Managing Director	Mark Scatena	\$650,000	\$1,300,000	\$1,040,000	\$910,000	\$1,950,000

Total annual fixed remuneration

Total annual fixed remuneration consists of base salary, employer superannuation contribution and salary sacrifice benefits. Total annual fixed remuneration is set based on the role, responsibilities, experience and qualifications of the individual, and with reference to market data of comparable companies. Total annual fixed remuneration will generally be reviewed on an annual basis.

Variable remuneration – Employee Incentive Plan

Variable remuneration consists of an annual opportunity to receive a short term variable cash award and a grant of restricted Stapled Securities under the Employee Incentive Plan, awarded to the extent certain key performance indicators are achieved for the financial year.

9.7 Material terms of the Managing Director's employment agreement

The employment arrangements for Mark Scatena, the Managing Director of BWP, and the only executive key management person of BWP, are:

Item	Description
Fixed annual remuneration (FAR)	\$650,000 per annum, inclusive of superannuation
Short term incentive (STI)	<p>Maximum STI – 100 per cent of FAR</p> <p>The BWP Boards will establish an STI scheme that will be assessed against an annual scorecard of financial and non-financial measures set by the BWP Boards.</p> <p>For FY2026 it is intended that the scorecard will include distributions per Stapled Security set with regard to guidance and other measures related to the financial performance of BWP and individual performance.</p> <p>For FY2026, any STI awarded will be delivered 60 per cent in cash after the award is determined and 40 per cent in rights to Stapled Securities that are deferred for 12 months.</p> <p>Subject to the BWP Boards determining otherwise, Mr Scatena must be employed for the whole of FY2026 to be entitled to any STI award. Any rights granted as part of an STI award will, subject to the BWP Boards deciding otherwise, remain subject to the original deferral terms on Mr Scatena ceasing employment.</p>
Long term incentive (LTI)	<p>Maximum LTI – 100 per cent of FAR.</p> <p>The BWP Boards will establish an LTI program that will consist of a grant of performance rights (each being a right to one stapled security on vesting), with a performance period of 3 years.</p> <p>The performance measures applicable to the FY2026 LTI will be (50 per cent) relative total shareholder return (TSR) and (50 per cent) absolute return on equity (ROE).</p> <p>Subject to the BWP Boards determining otherwise, Mr Scatena will be entitled to retain a pro rata portion of his LTI, determined by reference to the part of the performance period served as an employee, on ceasing employment as an 'eligible leaver'. Vesting of the retained LTI rights will remain subject to meeting the performance conditions at the end of the performance period.</p>
Notice period	<p>Employment may be terminated by either Mr Scatena or the Board on six months' notice.</p> <p>Mr Scatena's contract includes standard provisions giving BWP the right to terminate the contract without notice in the event of serious misconduct or other circumstances warranting summary dismissal.</p>
Non-solicitation and non-compete	<p>Mr Scatena's contract contains customary terms in relation to not being involved in a competitive business, not inducing employees to leave employment with BWP and not soliciting trading partners of BWP to reduce their level of business with BWP in the six months following the end of his employment.</p>

9.8 Employee Incentive Plan

BWP Property Group has adopted the Employee Incentive Plan, which recognises the need to motivate, attract and retain employees of BWP to deliver sustainable and superior business performance. It is underpinned by the following principles:

- > remuneration is externally competitive in terms of quantum, mix and design to support the attraction and retention of employees and takes into account the relative size and nature of the BWP business and its ability to pay and the role and experience of employees;
- > remuneration comprises fixed and variable remuneration components;

- > the remuneration focuses on short-term and long-term performance by setting annual key performance indicators and delivering a material proportion of variable remuneration in equity which will be subject to vesting conditions; and
- > the remuneration framework is designed to be simple and transparent.

Once adopted, the Remuneration & Nomination Committee will review the Employee Incentive Plan on an annual basis to ensure that the remuneration arrangements are driving business performance and are aligned with the long-term strategy of BWP.

The Remuneration & Nomination Committee will, as required, obtain advice from external remuneration advisors on aspects of BWP’s remuneration policy and structures.

A summary of the terms of the Employee Incentive Plan are as follows:

Term	Summary
Eligibility	All employees of BWP are eligible to participate in the Employee Incentive Plan, other than key management personnel of BWP (which, as at the date of this Explanatory Memorandum, is only the Managing Director)
Determination of grants	The granting and number of rights to be offered under the Employee Incentive Plan is to be determined by the Board
Service/Performance Conditions	<p>Rights granted under the Employee Incentive Plan will vest subject to:</p> <ul style="list-style-type: none"> > conditions requiring a minimum period of service with BWP being satisfied; and/or > certain performance conditions set by the BWP Boards being satisfied. <p>Without limiting the power of the BWP Boards to determine otherwise, minimum service period and/or performance conditions are to generally be satisfied over a period of 2–3 years</p>
Change of control	The BWP Boards will determine the treatment of rights granted under the Employee Incentive Plan in the event of a change of control of the Stapled Entities, which may include vesting of rights to allow the relevant employee to participate in the relevant transaction, lapsing or varying the terms of rights to be settled in securities of another entity, and/or to adjust the performance metrics attaching to rights to take into account the impact of the relevant transaction
Cessation of employment	<p>Ceasing employment as an ‘eligible leaver’ will result in minimum service based rights issued under the Employee Incentive Plan vesting and performance based rights issued under the Employee Incentive Plan remaining in place to potentially vest in accordance with the original performance conditions in the ordinary course</p> <p>Ceasing employment in other circumstances will result in all rights issued under the Employee Incentive Plan lapsing</p> <p>Nothing in this description limits the BWP Boards’ discretion to determine otherwise in appropriate circumstances</p>

9.9 Interests of BWPM and BWP Property Group directors in BWP and BWP Property Group

As at the date of this Prospectus, BWPM (as responsible entity of the BWP Trust) is the sole shareholder of BWP Property Group and no BWP Property Group Shares are held by or on behalf of any director or key management person of BWP Property Group.

The table below lists the BWP Trust Units held directly, or indirectly or beneficially by, or on behalf of, each director of BWPM and BWP Property Group as at the date of this Prospectus.

If the Proposed Transaction is Implemented, those directors (or the associated entities holding the BWP Trust Units) will receive one BWP Property Group Share for each BWP Trust Unit they hold at the Stapling Record Date. The table below calculates the number of BWP Trust Units or Stapled Securities (as applicable) to be held by each of the directors and their associates before and after Implementation:

Name of BWP Property Group director	Units in BWP (either directly or otherwise) (pre implementation)	% of Units in BWP (pre implementation)*	Stapled Securities (post implementation)	% of Stapled Securities (post implementation)*
Tony Howarth	50,000	0.007	50,000	0.007
Mark Scatena	Nil	N/A	Nil	N/A
Fiona Harris	20,000	0.000	20,000	0.000
Mike Steur	Nil	N/A	Nil	N/A
Alison Quinn	15,000	0.000	15,000	0.000
Danielle Carter	2,700	0.000	2,700	0.000

* per cent figures have been rounded to three decimal places.

Each member of the BWP Boards is entitled to vote on the Resolutions (and intend to vote in favour of the Resolutions) and receive BWP Property Group Shares (and otherwise participate in the Proposed Transaction) in respect of any BWP Trust Units held by, or on behalf of, them to the extent permitted by law.

Other than as set out in this Prospectus, no member of the BWP Boards has during the last two years:

- > held any interest in the formation or promotion of BWPM or BWP Property Group;
- > held any interest in any property acquired or proposed to be acquired by BWPM or BWP Property Group in connection with its formation or promotion or the issue of Stapled Securities;
- > received, or agreed to receive, any amount or benefit from any person as inducement to become, or to qualify as a director of BWPM or BWP Property Group (other than remuneration payable for acting as a director of BWPM and BWP Property Group, future remuneration is set out in **section 9.5** of this Prospectus); or
- > received, or agreed to receive, any amount or benefit from any person for services provided to BWPM or BWP Property Group in connection with the Proposed Transaction, the promotion of the Proposed Transaction, or the offer of BWP Property Group Shares (other than remuneration for acting as a director of BWPM or BWP Property Group. Further remuneration is set out in **section 9.5** of this Prospectus).

9.10 Payments and other benefits to directors, secretaries, executive officers or related bodies corporate

No payment or other benefit is proposed to be made or given (in connection with or conditional on the Proposed Transaction) to any director, secretary or executive officer of BWPM or BWP Property Group as compensation for loss of, or as consideration for, or in connection with, his or her retirement from office in BWPM, BWP Property Group or its related bodies corporate.

Other than as set out in this Prospectus and the Explanatory Memorandum, no payment or other benefit is proposed to be made or given to any related body corporate of BWPM or BWP Property Group in connection with or conditional on the Proposed Transaction.

9.11 Deeds of indemnity, insurance and access

Each of the directors appointed to the BWPM Board are a party to a deed of indemnity, insurance and access with BWPM. Those documents will apply to each director's appointment to the BWP Property Group Board, or to the board of BWP Operations (as applicable).

To ensure that each director continues to be covered by BWP, BWP Property Group is to enter into a deed of indemnity, insurance and access with each director of BWP Property Group which confirms the relevant director's right of access to BWP Property Group Board papers and requires BWP Property Group to indemnify the relevant director, on a full indemnity basis and to the full extent permitted by law, against all losses or liabilities (including all reasonable legal costs) incurred by the relevant director as an officer of BWP Property Group or of a subsidiary of BWP Property Group. It is expected that each of these documents will be on identical terms to the existing deeds of indemnity, insurance and access between BWPM and each director, save for BWP Property Group being the relevant counterparty.

Under the deeds of indemnity, insurance and access, BWP Property Group must maintain a directors' and officers' insurance policy, insuring each director against liability as a director and officer of BWP Property Group and its subsidiary entities until seven years after the relevant director ceases to hold office as a director of BWP Property Group or a subsidiary of BWP Property Group (or the date any relevant proceedings commenced during the seven year period have been finally resolved).

10 Additional information

10.1 Management fee structures and management arrangements

10.1.1 Management fee structures

BWPM as responsible entity of the BWP Trust

Currently, BWPM (as responsible entity of the BWP Trust) is entitled to receive out of the assets of the BWP Trust a fee calculated at the rate of 0.1375 per cent per quarter of the Gross Asset Value of the BWP Trust plus a further fee being the greater of:

- > a fee:
 - > calculated at the rate of 0.0125 per cent per quarter of the Gross Asset Value of the BWP Trust (after deducting the aggregate amount of all uncalled instalments in relation to any partly paid BWP Trust Units) up to \$200,000,000; and
 - > a fee calculated at the rate of 0.00875 per cent per quarter of the amount by which the Gross Asset Value of the BWP Trust) after deducting the aggregate amount of all uncalled instalments in relation to any partly paid BWP Trust Units) exceeds \$200,000,000; and
- > \$10,000 per quarter increased in the proportion that the Consumer Price Index All Groups Perth last published before the date on which the relevant determination is to be made bears to the Consumer Price Index All Groups Perth last published in the previous quarter. If the Consumer Price Index All Groups Perth ceases to be published or the method of its calculation substantially alters, then the Consumer Price Index All Groups Perth is to be replaced with the nearest equivalent index as determined by BWPM (as responsible entity of the BWP Trust).

If Resolution 3 is approved and the New BWP Trust Constitution is approved and adopted as the constitution of the BWP Trust, the management fee payable to BWPM (as responsible entity of the BWP Trust) is to change and the New BWP Trust Constitution provides that, and BWPM (as responsible entity of the BWP Trust) will be entitled to receive out of the assets of the BWP Trust, a monthly fee for managing the BWP Trust of 0.03 per cent of the Gross Asset Value of the BWP Trust determined as at the last day of the relevant month and divided by twelve.

NPRM as responsible entity or trustee (as applicable) of the NPR Sub-Trusts

Currently, NPRM (as responsible entity or trustee (as applicable) of the NPR Sub-Trusts) is entitled to receive for each NPR Sub-Trust and out of the assets of the relevant NPR Sub-Trust a fee calculated at 0.1375 per cent per quarter of the Gross Asset Value of the relevant NPR Sub-Trust plus a further fee being the greater of:

- > a fee:
 - > calculated at the rate of 0.0125 per cent per quarter of the Gross Asset Value of the relevant NPR Sub-Trust (after deducting the aggregate amount of all uncalled instalments in relation to any partly paid units in the relevant NPR Sub-Trust) up to \$200,000,000; and
 - > a fee calculated at the rate of 0.00875 per cent per quarter of the amount by which the Gross Asset Value of the relevant NPR Sub-Trust) after deducting the aggregate amount of all uncalled instalments in relation to any partly paid units in the relevant NPR Sub-Trust) exceeds \$200,000,000; and
- > \$10,000 per quarter increased in the proportion that the Consumer Price Index All Groups Perth last published before the date on which the relevant determination is to be made bears to the Consumer Price Index All Groups Perth last published in the previous quarter. If the Consumer Price Index All Groups Perth ceases to be published or the method of its calculation substantially alters, then the Consumer Price Index All Groups Perth is to be replaced with the nearest equivalent index as determined by NPRM (as responsible entity or trustee (as applicable) of the relevant NPR Sub-Trust).

If Resolution 3 is approved and the New BWP Trust Constitution is approved and adopted as the constitution of the BWP Trust, the management fee payable to NPRM (as responsible entity or trustee (as applicable) of the NPR Sub-Trusts) is to change and NPRM will be entitled to receive out for each NPR Sub-Trust and out of the assets of the relevant NPR Sub-Trust a monthly fee for managing the relevant NPR Sub-Trust of 0.03 per cent of the Gross Asset Value of the relevant NPR Sub-Trust determined as at the last day of the relevant month and divided by twelve.

10.1.2 External management and custodian arrangements

Except as set out elsewhere in this Prospectus, there are no material external management or custodian arrangements in place and relevant to the BWP Trust.

Except as set out elsewhere in this Prospectus, there are no material external management arrangements in place and relevant to the NPR Sub-Trusts. There are custodian arrangements currently in place for NPRM and the NPR Sub-Trusts with The Trust Company (Australia) Limited. It is expected that these custodian arrangements will remain in place following Implementation.

10.1.3 Related party agreement – Share sale and subscription deed

The terms of the acquisition of BWPM by BWP Property Group are set out in the Share Sale and Subscription Deed. The Share Sale and Subscription Deed is a related party agreement between BWP Property Group, Wesfarmers and BWPM (as responsible entity of the BWP Trust) on arm's length market terms. The material terms of the Share Sale and Subscription Deed are summarised below.

Parties

The Share Sale and Subscription Deed has been entered into between BWP Property Group as buyer, Wesfarmers as seller and BWPM (as responsible entity of the BWP Trust).

Consideration and adjustments

The consideration payable to Wesfarmers for the sale of 100 per cent of the issued share capital in BWPM under the Share Sale and Subscription Deed is the \$142.6 million (being the Internalisation Purchase Price). The Internalisation Purchase Price comprises \$100 million is cash (being the Cash Consideration) and 10,867,347 Stapled Securities (the Consideration Securities).

The Cash Consideration is to be adjusted for (upwards or downwards, as applicable):

- > the difference between target working capital and actual working capital on completion of the sale of BWPM under the Share Sale and Subscription Deed (**Completion**);
- > the difference between estimated net debt and actual net debt on Completion; and
- > the difference between 70 per cent of the actual monetary value of the aggregate of all accrued but unpaid annual leave and long service leave as at 11.59pm on the day before the Implementation Date and the estimated monetary value of the aggregate of all accrued but unpaid annual leave and long service leave.

Cash held by each of BWPM and NPRM at Completion must not be less than the amount required to be held by each of BWPM and NPRM (as applicable) to meet its financial resources obligations under its AFSL.

Conditions and termination

Completion is conditional on Implementation occurring.

If the Share Sale and Subscription Deed is terminated or rescinded prior to Completion, then the parties must ensure that the Implementation Deed is terminated or rescinded (as applicable at the same time).

If the Implementation Deed is terminated or rescinded prior to Completion, then the Share Sale and Subscription Deed will automatically terminate or rescind (as applicable).

Employees

As soon as practicable after the date of the Share Sale and Subscription Deed, and before Completion, BWP must offer employment to:

- > each employee that is employed in the Business on the date of the Share Sale and Subscription Deed; and

- > any person who becomes an employee in the Business between the date of the Share Sale and Subscription Deed and Completion,

and who remains employed in the Business at Completion.

Each offer of employment must:

- > be conditional on Completion occurring and the relevant employee remaining employed in the Business at Completion;
- > be for employment commencing on and from Implementation, and in a position substantially similar to the relevant employee's position immediately prior to Implementation;
- > be on terms that, when considered on an overall basis are substantially similar to and no less favourable than the terms of each employee's employment with Wesfarmers; and
- > provide for continuity of each employee's benefits as if employment by BWP started on the date that the relevant employee commenced with Wesfarmers.

Wesfarmers is solely responsible for all employee entitlements and the accumulated wages and salaries of the transferring employees for the period up to and including Completion.

From Completion, Wesfarmers will remain liable for the accrued service related entitlements of any employee that does not accept an offer of employment with BWP.

In respect of each relevant transferring employee that, as at Implementation, participates in the Wesfarmers employee share acquisition plan (**WESAP**), Wesfarmers is solely responsible for and must procure that all shares in Wesfarmers that have been allocated to each relevant transferring employee under the WESAP (**WESAP Shares**) at the Implementation Date are treated in accordance with the rules of the WESAP such that each relevant transferring employee is entitled to retain all of the WESAP Shares allocated to them and the WESAP Shares allocated to them are not forfeited.

Warranties and indemnities

Customary power, authority and capacity warranties are given by each party in favour of each other party to the Share Sale and Subscription Deed.

Wesfarmers also gives certain warranties in favour of BWP Property Group (**Seller Additional Warranties**) as to:

- > its title to and ownership of all the shares in the capital of BWPM;
- > there being no encumbrances or third party rights over the shares in the capital of BWPM;
- > it having the authority to sell the all the shares in the capital of BWPM; and
- > taxes paid and other tax standard warranties.

Any claims for a breach of Seller Additional Warranties are to be made in 12 months after Completion, or five years for the Seller Additional Warranties relating to tax. Any claim for a breach of Seller Additional Warranties (excluding those relating to tax) can only be made if the amount payable for an individual claim exceeds \$142,600 and the aggregate of all claims permitted is more than \$1,426,000. The maximum aggregate liability of Wesfarmers in respect of all claims for a breach of Seller Additional Warranties (excluding those relating to tax) is 100 per cent of the Internalisation Purchase Price.

Subject to certain exceptions and limitations, Wesfarmers indemnifies BWP Property Group for all loss suffered, paid or incurred by BWP Property Group or its Related Body Corporates from:

- > any claim by a transferring employee for any wages, salary, commission, bonuses and other benefits or entitlements accruing to the transferring employee; and
- > any breach by Wesfarmers of its statutory, contractual or other legal obligations owed to a transferring employee in relation to the period up to and including Completion.

Subject to certain exceptions and limitations, BWP Property Group indemnifies Wesfarmers for all loss suffered, paid or incurred by Wesfarmers or its Related Body Corporates from:

- > any claim by a transferring employee for any wages, salary, commission, bonuses and other benefits or entitlements accruing to the transferring employee in relation to the period following Completion; and
- > any breach by BWP Property Group of its statutory, contractual or other legal obligations owed to a transferring employee in relation to the period up following Completion.

Wesfarmers also indemnifies BWP Property Group and BWPM from:

- > all liability of BWPM and NPRM for tax that arises from or relates to any period or part period up to Completion; and
- > all liability of BWP Property Group, BWPM and NPRM for tax costs incurred by them or on their behalf, to the extent such costs arise from or relate to, any period or part period up to Completion.

10.2 Co-operation and services agreement (CASA)

The terms of the Transitional Services to be provided by Wesfarmers to BWP following Implementation are set out in the CASA, the material terms of which are summarised below. The CASA is a related party agreement between BWPM (as responsible entity of the BWP Trust) and Wesfarmers on arm's length market terms.

Parties

The CASA has been entered into between BWPM (as responsible entity of the BWP Trust) as recipient and Wesfarmers as provider.

Term and termination

The CASA commences on the Implementation Date and continues in force until the date of termination or expiry of the last remaining Transitional Service unless terminated earlier in accordance with its terms. Each Transitional Service commences on the Implementation Date and continues in force for the relevant service period of the Transitional Service, being a period ranging from six months to five years (**Service Period**).

BWPM (as responsible entity of the BWP Trust) and Wesfarmers may agree to extend the term of any Transitional Service prior to expiry of the relevant Service Period of the Transitional Service.

BWPM (as responsible entity of the BWP Trust) may terminate the CASA in respect of all or part of a Transitional Service prior to the relevant Service Period of the Transitional Service by giving no less than six months' written notice (unless a shorter period of notice is

specified in the applicable Service Schedule), or such other notice period as agreed by the parties.

Either party may terminate the CASA in respect of all or part of a Transitional Service with immediate effect by written notice where the other party:

- > is in material breach of its obligations under the CASA and, where the breach is capable of remedy, does not remedy the breach within 30 days of receipt of a notice specifying the breach and requiring it to be remedied;
- > commits a breach of the CASA which is incapable of remedy;
- > suffers an insolvency event; or
- > there is a force majeure event which prevents, hinders or delays performance of the Transitional Services for more than 90 days from the date of notification of the relevant force majeure event.

Transitional Services

The Transitional Services to be provided under the CASA by Wesfarmers to BWPM (as responsible entity of the BWP Trust), BWP Operations and NPRM (**Service Recipients**) broadly fall within the following service categories:

- > risk services
- > finance services;
- > sustainability services
- > human resources services;
- > information technology services;
- > insurance services; and
- > office accommodation services.

Additional Services

BWPM (as responsible entity of the BWP Trust) may provide written notice to Wesfarmers within six months of the Implementation Date that it requests the provision of a service outside the scope of the Transitional Services (listed above) (**Additional Service**) that was provided to BWPM (as responsible entity of the BWP Trust) or another Service Recipient during the 12 months prior to the Commencement Date and is required by BWPM (as responsible entity of the BWP Trust) to facilitate the continued operation of the business of BWPM (as responsible entity of the BWP Trust).

The costs of implementing, providing and ceasing to provide an Additional Service is to be borne by BWPM (as responsible entity of the BWP Trust).

Changes

Either party may request to change the scope of all or part of a Transitional Service (**Change**) by notifying the other party in writing.

If BWPM (as responsible entity of the BWP Trust) is the party requesting a change to the scope, then it must bear the costs of implementing the Change, provided that:

- > if the proposed change increases Wesfarmers' cost of providing the Transitional Service during any term, any such increase to costs must: (i) be reasonable and minimised to the extent commercially practicable; and (ii) if such costs include additional out-of-pocket expenses incurred by Wesfarmers, these must also be reasonably incurred; and

- > if the proposed change decreases Wesfarmers' cost of providing a Transitional Service during any term, the costs for the Transitional Service must decrease by the amount that Wesfarmers estimates it cost of providing that Transitional Service is to decrease as a result of the proposed Change.

Service Levels

The Transitional Services are to be provided at a standard and in a manner that is substantially the same as the standard to, and the manner in, which the relevant service the subject of the Transitional Services was rendered during the 12-month period immediately prior to the Implementation Date.

Service charges and payment

The fees payable by BWPM (as responsible entity of the BWP Trust) to Wesfarmers in consideration for Wesfarmers' provision of all Transitional Services (**Service Charges**):

- > for the period commencing on 1 July 2025 and ending on 30 June 2026, is \$268,137 payable monthly in equal instalments on a pro-rata basis for the period commencing on the Implementation Date and ending on 30 June 2026; and
- > for the period commencing on 1 July 2026 and ending on 30 June 2027, is \$268,137 multiplied by annual CPI for the 12-month period ending on 31 March 2026, payable monthly in equal instalments over 12-month period.

For the year commencing 1 July 2027, the estimated annual service charges for the Transitional Services will be approximately \$615,000 (the **Estimated Service Charges**). The Estimated Service Charges are estimates only and prepared based on the scope, specifications, volume or service levels that were provided by Wesfarmers to the Service Recipients in the 24 months prior to the Implementation Date. The actual service charges payable by BWPM (as responsible entity of the BWP Trust) on and from 1 July 2027 will be charged by Wesfarmers on a 'cost recovery basis', meaning that Wesfarmers is entitled to recover:

- > all costs incurred by Wesfarmers in the provision of the Transitional Services;
- > internal costs incurred by Wesfarmers that are a direct result of Wesfarmers' business activities associated with the provision of the Transitional Services; and
- > all third party costs incurred by Wesfarmers in the provision of the Transitional Services (**Third Party Costs**), together with any additional out of pocket expenses reasonably incurred by Wesfarmers in the provision of the Transitional Services (**Additional Expenses**).

A true-up mechanism applies from 1 July 2027 (in respect of Service Charges only) and from the Implementation Date (for Third Party Costs and Additional Expenses) such that, if during the three month period following the end of a financial year, the actual Service Charges, Third Party Costs or Additional Expenses (as applicable) incurred by Wesfarmers for a Transitional Service during the preceding financial year are:

- > greater than 110 per cent of the Service Charges, Third Party Costs and/or Additional Expenses invoiced, BWPM (as responsible entity of the BWP Trust) must pay Wesfarmers the amount of the difference;

- > are less than 90 per cent of the Service Charges, Third Party Costs and/or Additional Expenses invoiced, Wesfarmers must refund BWPM (as responsible entity of the BWP Trust) the amount of the difference; and
- > between 90 per cent and 110 per cent of the Service Charges, Third Party Costs and/or Additional Expenses invoiced, no action will be taken by either party in respect of such amounts and no party is obliged to make any further payment to the other in relation to such Service Charges, Third Party Costs and/or Additional Expenses.

Limitation of liability

Neither party is liable to the other party for any indirect loss suffered by the other party in connection with the CASA.

Except in the case of fraud or wilful misconduct of Wesfarmers or its Related Body Corporates, Wesfarmers is not liable for any loss suffered by BWPM (as responsible entity of the BWP Trust) or the Recipient Group as a result of or in connection with:

- > any act or omission of Wesfarmers done, undertaken or committed to comply with or give effect to any request, direction or instruction of a Service Recipient;
- > a failure or delay by a Service Recipient to provide any inputs, data or information to Wesfarmers, or the provisions of incorrect or incomplete input, data or information by a Service Recipient;
- > any act or omission of a third party provider;
- > the consent of a third party provider to the provision of the Transitional Services by Wesfarmers to a Service Recipient not being obtained, being expired or terminated or withdrawn, or a contract with a third party provider relevant to the provision of the Transitional Services by Wesfarmers to a Service Recipient being expired or terminated;
- > Wesfarmers suspending a Service Recipient from accessing Wesfarmers information technology systems in prescribed limited circumstances, including for maintenance; and
- > a force majeure event.

Subject to certain exceptions, the maximum aggregate liability of either party to the other under the CASA in any Contract Year during the term is limited to the aggregate amount of Services Charges payable under the CASA in respect of that Contract Year, where **Contract Year** means each successive 12-month period, first commencing on and from the Implementation Date.

A party has no liability to the other under the CASA in connection with any claim made under the CASA if the other party does not make the claim within the 12-month period commencing on the earlier of the date on which the circumstances giving rise to the claim first become known by the other party, or should have been known by the other party had it conducted reasonable due diligence in respect of the relevant matter.

Warranties

Each party gives certain warranties in favour of the other party as to:

- > its power and authority to enter into and perform its obligations under the CASA; and
- > the CASA being legal, valid and binding and enforceable in accordance with its terms.

10.3 Lease reset and extension and capital expenditure commitments

The terms of the Lease Reset and Extension and Capital Expenditure Commitments are set out in the Lease Variation and Implementation Deed, the material terms of which are summarised below. The Lease Variation and Implementation Deed is a related party agreement between BWPM (as responsible entity of the BWP Trust), The Trust Company (Australia) Limited ACN 000 000 993 as custodian for NPRM in its capacity as responsible entity of NPR Trust No. 1, NPRM and Bunnings on arm's length market terms.

Parties

The Lease Variation and Implementation Deed has been entered into between:

- > BWPM (as responsible entity of the BWP Trust) as landlord under certain Bunnings Leases;
- > The Trust Company (Australia) Limited ACN 000 000 993 as custodian for NPRM in its capacity as responsible entity of NPR Trust No. 1 as landlord under certain Bunnings Leases; and
- > NPRM as landlord under certain Bunnings Leases, (each a **Landlord**); and
- > Bunnings as tenant under each Bunnings Lease (Tenant)

Variation of Bunnings Leases

On and from the Implementation, each Bunnings Lease is varied to:

- > extend the existing term of the relevant Bunnings Lease;
- > replace the number of further terms available the relevant Bunnings Lease;
- > include certain operational amendments applicable to the relevant Bunnings Lease;⁵⁰
- > include certain market rent review amendments; and
- > make any other amendment the parties agree.

The variations of each Bunnings Lease are binding and final on the relevant parties from the Implementation Date.

Store Expansion Works

Promptly after the Implementation Date, each relevant Landlord and the Tenant must enter into an agreement to undertake certain expansion works (**Store Expansion Works**) in the form agreed by the parties as contemplated under the Lease Variation and Implementation Deed in respect of the following premises:

- > Balcatta;
- > Nunawading;
- > Maitland;
- > Gladstone; and
- > Smithfield,

(each a **Store Expansion Premises**) with each such agreement to be based generally on the agreements previously entered into between BWPM (as responsible entity of the BWP Trust) and the Tenant for similar types of store expansions, and which are to include the terms set out below.

- > The Store Expansion Works at the relevant Store Expansion Premises are to be commenced within three years of the Implementation Date.

- > The capital expenditure for Store Expansion Works at the relevant Store Expansion Premises is to be paid by the Landlord and Rentalised at a funding rate equal to the five-year swap rate plus a margin of 200 basis points (**Expansion Rent**).
- > Following the completion of the relevant Store Expansion Works, the relevant Bunnings Lease is to be varied to the extend the term by 10 years, increase the rent then payable by the amount of the Expansion Rent and make any other changes necessary as a result of the completion of the Store Expansion works and extension to the relevant Bunnings Lease.

Store Upgrade Works

The parties agree to work collaboratively to identify and agree on:

- > the appropriate premises the subject of Bunnings Leases to undertake upgrade works at in order to extend the useful life of those premises (each a **Store Upgrades Premises**); and
- > the actual works to be undertaken at each Store Upgrades Premises, provided that no such works are to exceed \$30 million jointly funded by BWP and Bunnings (in equal proportions) by the relevant Landlord and the Tenant.

Waiver of purchase rights

Where the Tenant is, as a result of the transactions contemplated by the Implementation Deed, entitled under the terms of the Bunnings Lease at Thornleigh, Vermont South and/or Bayswater to purchase the relevant premises the subject of the relevant Bunnings Lease, the Tenant, by execution of the Lease Variation and Implementation Deed, confirms it waives any right to serve a purchase notice it has under the relevant Bunnings Lease as a result of the transaction.

Warranties

Customary power, authority and capacity warranties are given by each party in favour of each other party to the Lease Variation and Implementation Deed.

⁵⁰ These variations are designed to assist in the efficient administration of the Leases and include permitted use, outgoings, insurance, obligations to maintain and repair, indemnities and remedies, arbitration, damage and destruction and rent review.

10.4 Stapling Deed

The Stapling Deed sets out the terms of the relationship between the Stapled Entities for so long as the BWP Trust Units and BWP Property Group Shares are stapled. Under the Stapling Deed, the parties agree to:

- > co-operate with each other in respect of all matters relating to the Stapled Securities, including in relation to the disclosure of financial information, the preparation of financial statements, meetings of members, the payments of distributions and other corporate actions;
- > only deal in each component of the Stapled Securities if there is a corresponding dealing in the other components of the Stapled Securities; and
- > maintain or procure the maintenance of a register in respect of the Stapled Securities.

In addition, the Stapled Entities agree to undertake any necessary steps to give effect to the Stapling Deed.

10.5 ASIC Relief

BWP has made an application to ASIC for the following modifications and exemptions in relation to the Corporations Act in connection with the Proposed Transaction.

CHAPTER 2M RELIEF

- > Exemption from sections 292, 301(1), 314, 315 and 319(3) of the Corporations Act to exempt BWP Property Group from the requirement to prepare and lodge an annual financial report and directors' report for the financial year ending 30 June 2025, as well as the requirements to report to members of BWP Property Group and have the annual financial report audited and obtain an auditor's report.

PROSPECTUS RELIEF

- > Modification of sections 711(6) and 723(1) of the Corporations Act to facilitate the issue of this Prospectus without stating an expiry date, and without an application form accompanying it.

STAPLING RELIEF

- > Modification of Part 5C.2 of the Corporations Act to allow BWPM (as responsible entity of the BWP Trust) and BWP Property Group, and each of their directors and officers to act in the best interests of Stapled Securityholders collectively, considering their common interests as holders of the Stapled Securities.
- > Modification of Part 5C.2 of the Corporations Act to allow BWPM (as responsible entity of the BWP Trust), BWP Property Group and each of their directors, officers and employees to use information acquired in their respective roles for the benefit of Stapled Securityholders collectively, considering their common interests as holders of the Stapled Securities.
- > Modification of Chapter 2E of the Corporations Act as notionally inserted by Part 5C.7 of the Corporations Act to allow benefits to be given between the Stapled Entities on non-arm's length terms, recognising the commonality of the Stapled Securityholders.
- > Modification of sections 708(13) and 1012(D) of the Corporations Act to allow the Stapled Entities to pool dividends (in respect of BWP Property Group Shares) and distributions (in respect of BWP Trust Units) under a dividend and distribution reinvestment plan without a prospectus or PDS.

CHAPTER 7 RELIEF

- > Modification of section 1017E to permit a single bank account to be used for application moneys in respect of any future issues of Stapled Securities.
- > Exemption from Division 2 of Part 7.7 of the Corporations Act to confirm that BWPM (as responsible entity of the BWP Trust) is not required to give a Financial Services Guide to Investors in respect of any financial product advice in relation to the Proposed Transaction.

10.6 ASX waivers and confirmations

The ASX is expected to grant the following waivers and confirmations of the following Listing Rules in connection with the Proposed Transaction as they apply to BWP Property Group and/or the BWP Trust (as applicable).

WAIVERS

Waiver from:

- > condition 8 of Listing Rule 1.1 to the extent necessary, so that BWP Property Group need not comply with the stipulated value threshold, provided that the Stapled Entities together will satisfy this condition following Implementation and that the Stapled Entities will satisfy Listing Rule 12.4 (requiring a sufficient spread of securities in each entity's main security class) at the time of BWP Property Group's admission to the official list of ASX;
- > condition 9 of Listing Rule 1.1 to the extent necessary, so that BWP Property Group need not satisfy the profit test (Listing Rule 1.2) or asset test (Listing Rule 1.3) to be admitted to the official list of ASX, on the basis that BWP Property Group Shares will be stapled to BWP Trust Units, and Stapled Entities will satisfy Listing Rules 12.1 and 12.2 (which require each entity's financial condition and level of operations to be sufficient to warrant its continued listing and the quotation of its securities) at the time of BWP Property Group's admission to the official list of ASX;
- > condition 2 of Listing Rule 2.1 to the extent necessary, so that BWP Property Group need not comply with the stipulated issue price threshold, on the basis that BWP Property Group Shares will be stapled to BWP Trust Units;
- > Listing Rule 6.24 in respect of clause 1 of Appendix 6A to the extent necessary, so that the rate and amount of a distribution for the BWP Trust and BWP Property Group need not be advised to the ASX when the distribution and record date is announced, on the condition that the actual rate is advised to the ASX as soon as it becomes known and that the estimated distribution rate must also be advised to the ASX at the time of the announcement; and
- > Listing Rule 8.10 to the extent necessary to permit BWPM (as responsible entity of the BWP Trust) and BWP Property Group to refuse to register a transfer document relating to quoted securities if it is not accompanied by a transfer of securities in the other Stapled Entity.

CONFIRMATIONS

Following lodgement of this Prospectus, application will be made to the ASX for the admission of BWP Property Group to the official list of ASX dependent on the satisfaction or waiver of the Conditions and confirmations will be sought from the ASX that:

- > the structure and operations of BWP Property Group are appropriate for a listed entity;
- > the proposed structure of the Stapled Securities and the listing of the Stapled Securities on ASX is appropriate; and
- > disclosure by one Stapled Entity on behalf of the Stapled Entities satisfies the obligations of each entity regarding a matter, for the purposes of Listing Rule 3.1.

10.7 Consents

The persons listed in the following table have given and have not, before the lodgement of this Prospectus with ASIC, withdrawn their written consent to be named in the Prospectus in the form and context in which they are named.

Name of person	Named as
Corrs	Taxation advisor
Corrs	Legal advisor
Highbury Partnership	Financial advisor
Deloitte	Independent Expert
KPMG	Investigating Accountant
Computershare	Registry
JLL	Property Adviser

The persons listed in the above table have not made any statement that is included in this Prospectus, or any statement on which a statement in this Prospectus is based. The persons listed in the above table expressly disclaim and take no responsibility for any statements in or omissions from this Prospectus. This applies to the maximum extent permitted by law and does not apply to any matter to the extent to which consent is given above.

10.8 Interests of experts and advisors

Other than as set out in this Prospectus, no promoter of BWP or any AFSL holder involved in the Proposed Transaction and listing of BWP Property Group or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, has or has held, during the last two years prior to the date of the Proposed Transaction, an interest in:

- > the promotion of the Proposed Transaction;
- > the formation, promotion, or listing of BWP Property Group;
- > property acquired or proposed to be acquired by BWP Property Group; or
- > the Proposed Transaction.

Corrs Chambers Westgarth is entitled to be paid approximately \$1,617,615 (plus GST and disbursements) in fees and charges for legal services provided to BWP Property Group and/or BWPM (as responsible entity of the BWP Trust) up to the date of this Prospectus, in connection with the Proposed Transaction.

Highbury Partnership is entitled to be paid approximately \$2,500,000 (plus GST and disbursements) in fees and charges for financial advisory services provided to BWP Property Group and/or BWPM (as responsible entity of the BWP Trust) up to the date of this Prospectus, in connection with the Proposed Transaction.

Deloitte Corporate Finance is entitled to be paid approximately \$250,000 (plus GST and disbursements) in fees and charges for the preparation of an Independent Expert's Report provided to BWP Property Group and/or BWPM (as responsible entity of the BWP Trust) up to the date of this Prospectus, in connection with the Proposed Transaction.

KPMG is entitled to be paid approximately \$340,000 (plus GST and disbursements) in fees and charges for the preparation of the Independent Limited Assurance Report and undertaking certain Agreed Upon Procedures for BWP Property Group and/or BWPM (as responsible entity of the BWP Trust) up to the date of this Prospectus, in connection with the Proposed Transaction.

The experts and advisors listed above may perform other work in relation to the Proposed Transaction in the future, for which they may be paid further amounts in accordance with each of their time-based charges.

10.9 Distribution Reinvestment Plan

The DRP relating to the BWP Trust is suspended for the distribution of the BWP Trust relating to the six month period ending 30 June 2025.

The DRP relating to the BWP Trust is to be amended in accordance with its terms to apply to both Stapled Entities and to allow for the issue of Stapled Securities, following which it will be adopted by BWP Property Group.

The amendment of the DRP will be communicated separately to Investors who elect to participate. The Stapled Entities will separately communicate with Investors who elect to participate in the DRP in relation to any further administrative steps required to be completed in order to facilitate the issue of Stapled Securities under the DRP.

When the DRP is not suspended, Investors who elect to participate in the DRP will be able to reinvest in Stapled Securities the distributions they are entitled to receive in respect of some or all of their Stapled Securities, rather than receiving those distributions in cash.

10.10 Related party holdings/transactions

The Stapled Entities will together establish, maintain and comply with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage any conflicts of interest. This policy is expected to be consistent with the related party transactions policy in place and established by the BWPM Board in respect of the BWP Trust, recognising that the BWP Trust already operates as a listed entity.

10.11 Corporate governance

The BWP Property Group Board is responsible for the overall corporate governance of BWP Property Group, including implementing appropriate policies and procedures in order for BWP Property Group and its subsidiary entities (including BWPM) to fulfil their functions effectively and responsibly. The BWPM Board is responsible for the overall corporate governance of the BWP Trust, including implementing appropriate policies and procedures in order for the BWP Trust and its subsidiary entities to fulfil their functions effectively and responsibly.

The Stapled Entities will together establish, maintain and comply with written corporate governance policies and procedures. These policies and procedures are expected to be consistent with those already in place and established by the BWPM Board in respect of the BWP Trust, recognising that the BWP Trust already operates as a listed entity.

The Stapled Entities recognise the role and importance of good corporate governance for the effective operation of BWP. The Stapled Entities' corporate governance framework will be supported by the high quality and experienced BWP Boards. The BWP Boards are integral to the determination of appropriate corporate governance arrangements for BWP and to the continual monitoring of those arrangements.

The corporate governance framework to be implemented by the Stapled Entities will be underpinned by the ASX Guidelines. ASX Listing Rules require listed entities to disclose the extent of their compliance with the ASX Guidelines and to explain why they have not adopted a particular ASX Guideline if they consider it is inappropriate to do so in their particular circumstances. Accordingly, the Stapled Entities will be required to report their compliance against the ASX Guidelines.

The Stapled Entities will also adopt policies to ensure that they will meet all applicable disclosure standards in accordance with the ASX Listing Rules. These policies are expected to be consistent with those already in place and established by the BWPM Board in respect of the BWP Trust, recognising that the BWP Trust already operates as a listed entity.

CONTINUOUS DISCLOSURE POLICY

The Stapled Entities are committed to communicating relevant material information about the Stapled Entities to Investors and must comply with continuous disclosure obligations to the market pursuant to the ASX Listing Rules and the Corporations Act.

The Stapled Entities will:

- > consider information that potentially requires disclosure;
- > determine what information needs to be disclosed;
- > co-ordinate the actual form of disclosure with the relevant members of Management where necessary; and
- > liaise with the appropriate staff to distribute continuous disclosure notices to the ASX, publish notices on BWP's website and, where appropriate, disseminate notices directly to Investors.

DIVIDEND POLICY

It is intended that following Implementation, BWPM (as responsible entity of the BWP Trust) will continue to distribute to BWP Trust Unitholders all its profits attributable to BWP Trust Unitholders excluding the unrealised gains or losses on fair value movements, as well as other items determined by the Directors.

If any dividends from BWP Property Group are to be paid out, they will be paid in conjunction with distributions from BWPM (as responsible entity of the BWP Trust). The payment of dividends from BWP Property Group, if any, is at the discretion of the BWP Property Group Board. No assurances can be given by any person, including the BWP Property Group Board, about the payment of any dividend or the level of franking on any such dividend.

BOARD COMMITTEES

The BWPM Board and the BWP Property Group Board may, together or separately, establish formally constituted committees and may delegate any of their powers to such committees.

It is anticipated that, following Implementation, the existing committees of the BWPM Board⁵¹ (each an **Existing Committee**) will continue in place, but each such Existing Committee will be a joint committee of the BWP Boards (each a **Joint Committee**). Each Joint Committee will, in separate capacities, serve both the BWPM Board and the BWP Property Group Board.

AUDIT & RISK COMMITTEE

The Audit & Risk Committee will, in separate capacities, serve both the BWPM Board and the BWP Property Group Board.

The Audit & Risk Committee is to assist, in separate capacities, the BWPM Board and the BWP Property Group Board in overseeing the integrity of BWPM's (as responsible entity of the BWP Trust) and BWP Property Group's (as applicable) financial reporting, internal financial controls, financial procedures and policies and the independence of external auditors. The Audit & Risk Committee will report to, in separate capacities, the BWPM Board and the BWP Property Group Board on all matters relevant to the Audit & Risk Committee's role and responsibilities and ensure the BWPM Board and the BWP Property Group Board (as applicable) is aware of matters which may significantly impact the financial condition or affairs of the BWPM (as responsible entity of the BWP Trust) or BWP Property Group (as applicable).

The key roles of the Audit & Risk Committee will include reviewing in relation to BWP:

- > assisting the BWPM Board and the BWP Property Group Board (as applicable) in fulfilling its corporate governance and oversight responsibilities relating to:
 - > the integrity of the financial reporting;
 - > the effectiveness of the reporting processes and internal control environment;
 - > the effectiveness of the risk management framework, risk management systems and reporting for both financial and non-financial risks;
 - > the external audit functions (and internal audit functions where applicable); and
 - > other matters referred to the Audit & Risk Committee from time to time; and

⁵¹ For more information on the existing committees of the BWPM Board, please refer to the [corporate governance statement relating to the BWP Trust for 2024](#).

- > assisting the BWPM Board in fulfilling its corporate governance and oversight responsibilities relating to:
 - > matters that are designated as the responsibility of the Audit & Risk Committee in the compliance plan relating to BWPM; and
 - > conditions and reporting obligations related to its Australian Financial Services Licence (AFSL).

The Audit & Risk Committee is to comprise Fiona Harris, Tony Howarth, Danielle Carter, Alison Quinn and Mike Steur (in their separate capacities of directors of BWPM and of BWP Property Group). Fiona Harris is to be initial chair of the Audit & Risk Committee. The Audit & Risk Committee will meet with external auditors where appropriate from time to time to review the existing external audit arrangements of BWPM (as responsible entity of the BWP Trust) and BWP Property Group (as applicable) and the scope of the audits.

A copy of the Audit & Risk Committee's Charter will be available on the BWP website at <https://www.bwptrust.com.au/site/About-Us/corporate-governance>, the terms of which are expected to be consistent with BWPM's (as responsible entity of the BWP Trust) existing audit & risk committee charter.

REMUNERATION & NOMINATION COMMITTEE

The Remuneration & Nomination Committee will, in separate capacities, serve both the BWPM Board and the BWP Property Group Board.

The Remuneration & Nomination Committee is to, in separate capacities, review and make recommendations in relation to:

- > succession planning, recruitment, selection and induction processes of the BWPM Board and BWP Property Group Board (as applicable);
- > continuing development of BWPM Board members and of BWP Property Group Board members (as applicable);
- > BWPM Board performance evaluation and BWP Property Group Board performance evaluation (as applicable); and
- > the appointment and re-election of directors of the BWPM Board and the BWP Property Group Board (as applicable) and succession planning for senior executives of BWP, including the Managing Director.

The Remuneration & Nomination Committee will also review and make recommendations to the BWPM Board and the BWP Property Group Board (as applicable) in relation to the remuneration framework for directors of BWPM (as responsible entity of the BWP Trust) and BWP Property Group (as applicable) and senior management of BWP, remuneration packages for senior management of BWP, equity-based remuneration plans relating to BWP, superannuation arrangements and remuneration trends, remuneration by gender and changes to employee benefit structures.

The Remuneration & Nomination Committee will comprise Tony Howarth, Danielle Carter, Fiona Harris, Alison Quinn and Mike Steur (in their separate capacities of directors of BWPM and of BWP Property Group). Tony Howarth is to be the initial chair of the Remuneration & Nomination Committee.

CODE OF CONDUCT

The BWPM Board and the BWP Property Group Board will, together, establish a code of conduct which applies to all employees, temporary employees and contractors of BWP. It will set out how BWP expects those persons to conduct themselves. The code will be underpinned by the following principles:

- > actions must be governed by our high standards of integrity and fairness;
- > decisions must be made in accordance with the spirit and letter of applicable law; and
- > the Business of BWP must be conducted honestly and ethically, seeking to apply the best skills and judgment, and for the benefit of Investors and employees.

RISK MANAGEMENT

The BWPM Board and the BWP Property Group Board will, together, adopt a risk management policy which will assist each of the BWPM (as responsible entity of the BWP Trust) and BWP Property Group to achieve the Stapled Entities' collective objectives, the terms of which are expected to be consistent with BWPM's (as responsible entity of the BWP Trust) risk management policy.

The BWPM Board will have ultimate responsibility for overseeing the risk management framework of the BWP Trust and its subsidiary entities, and for approving and monitoring compliance with the framework. The BWP Property Group Board will have ultimate responsibility for overseeing the risk management framework for BWP Property Group and its subsidiary entities, and for approving and monitoring compliance with the framework. The Audit & Risk Committee will assist the BWPM Board and the BWP Property Group Board. The BWPM Board and the BWP Property Group Board will together receive a single quarterly risk report on all risks assessed as either critical or high and the Managing Director, supported by management of BWP, will have overall day-to-day responsibility for the risks facing the Stapled Entities and BWP.

10.12 Reporting

The Stapled Entities will operate on a 30 June financial year end basis for accounting and financial reporting purposes.

Formal financial reporting will be provided to Investors at 31 December (interim) and 30 June (full-year) each year in accordance with the Corporations Act. The financial reports will detail (among other things) the following:

- > an income statement, balance sheet and statement of cash flows for the relevant period;
- > the amount of distributions declared and paid for the relevant period;
- > significant activities undertaken over the relevant period; and
- > combined portfolio updates (including valuations of those properties which have been re-valued).

10.13 Continuous disclosure

INFORMATION AVAILABLE FROM ASX AND ASIC

BWP Property Group will be a “disclosing entity” under the Corporations Act and subject to regular reporting and disclosure obligations under the Corporations Act and additional obligations under the Listing Rules. BWPM (as responsible entity of the BWP Trust) is already a “disclosing entity” under the Corporations Act, and is subject to, and will continue to be subject to, regular reporting and disclosure obligations under the Corporations Act and additional obligations under the Listing Rules.

These obligations will require BWP Property Group to notify the ASX of information about specified matters and events as they occur for the purpose of making that information available to the market (in the same way that BWPM (as responsible entity of the BWP Trust) currently notifies the ASX of information about specified matters and events as they occur). In particular, BWP Property Group will have an obligation (subject to limited exceptions) to notify the ASX immediately on becoming aware of any information which a reasonable person would expect to have a material effect on the price or value of the BWP Property Group Shares. Copies of documents lodged with the ASX are available at www.asx.com.au. Copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office.

INFORMATION AVAILABLE FROM BWP PROPERTY GROUP

The following documents will be made available for inspection for free by contacting the Registry on 1300 850 505 (within Australia) and +61 3 9415 4000 (outside Australia) between 8:30 am and 5:00 pm (AEST) on Business Days:

- > the Annual Report of BWP most recently lodged with ASIC;
- > any continuous disclosure notices given by BWP between the lodgement of the relevant Annual Report and the date of this Prospectus; and
- > each document incorporated by reference in this Prospectus.

Information relating to the Proposed Transaction and the Stapled Securities that is not materially adverse or required to be included in a supplementary disclosure document may be updated and made available to you at www.bwptrust.com.au. You may also contact BWP Property Group on the number set out in the corporate directory of this Prospectus to obtain a paper copy of the information free of charge.

10.14 Consent to issue

Each member of the BWP Property Group Board as at the date of this Prospectus has consented to the lodgement of this Prospectus with ASIC, as the issuer of BWP Property Group Shares.

Each member of the BWPM Board (as responsible entity of the BWP Trust) also consents to the lodgement of this Prospectus with ASIC.

10.15 Privacy

Information gathered by BWP to implement the Proposed Transaction or in relation to the Meeting may be personal information for the purposes of the Privacy Act. BWP and the Registry on behalf of BWP will collect, hold and use that personal information to implement the Proposed Transaction, service your needs as an Investor, provide facilities and services that you request and administer BWP.

The Corporations Act requires certain particulars of securityholders to be collected and maintained in a public register. Access to information may also be provided to the agents and service providers of BWP on the basis that they deal with such information as required by law.

If you do not provide the information requested of you by the Registry, your Proxy Form may not be able to be processed. Under the *Privacy Act 1988* (Cth), you may request access to your personal information held by (or on behalf of) BWP. You can request access to your personal information by telephoning or writing to BWP. You can access the privacy policy of BWP at <https://www.bwptrust.com.au/site/utilities/privacy>.

10.16 Trading on a deferred settlement basis

It is expected that trading of the Stapled Securities on ASX is to commence on or about 30 July 2025, on a deferred settlement basis, until the Stapling Record Date which is expected to be on or about 31 July 2025.

After the Stapled Entities advise the ASX that initial holding statements have been dispatched to Investors, which is expected to occur on or about 4 August 2025, normal settlement trading is to commence.

It is the responsibility of each person who trades in the Stapled Securities to confirm their holding before trading in the Stapled Securities. If the Stapled Securities are sold before receiving a holding statement, purchasers of these securities will do so at their own risk.

The Stapled Entities disclaim all liability, whether in negligence or otherwise, if you sell the Stapled Securities before receiving a holding statement, even if you obtained details of your holding from the Information Line or confirmed their firm allocation through a broker.

10.17 Cooling off period

Cooling off rights do not apply to the distribution of BWP Property Group Shares or the issue of Stapled Securities under the terms of the Proposed Transaction.

10.18 Registry Services

The shareholder register of BWP Property Group will be maintained by the Registry. The Registry can be contacted by:

- > Post:
Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
- > Telephone:
(Within Australia) 1300 850 505
(Outside Australia) +61 3 9415 4000
- > Email: web.queries@computershare.com.au
- > Online: www.investorcentre.com/au

10.19 CHESS

ASX has an automated transfer and settlement system for transactions in securities quoted on ASX called the Clearing House Electronic Sub-register System (**CHESS**).

Under CHESS, transfers are effected in a paperless form and certificates or transfer forms are not issued or required. In accordance with the Listing Rules and the ASX Settlement Operating Rules, Stapled Entities will maintain:

- > an electronic CHESS sub-register (for Investors who are participants in CHESS or are sponsored by such a participant); and
- > an electronic issuer sponsored sub register (for all other Investors).

Investors can choose to have their holdings registered in one of these two sub-registers, which together make up BWPM's (as responsible entity of the BWP Trust) and BWP Property Group's register of Investors.

At least one trading day prior to the commencement of normal trading of the Stapled Securities on ASX, all Investors will be sent an issuer sponsored statement that sets out the number of Stapled Securities that are registered in their name.

This holding statement will also provide details of the Investor's HIN.

An Investor who wishes to have Stapled Securities sponsored by a CHESS participant should forward their issuer sponsored statement and HIN (on receipt) to their broker who will transfer their holding onto the CHESS sub-register.

Notice of meeting of investors

Notice is given that, pursuant to section 252A of the Corporations Act 2001 (Cth) (**Corporations Act**), a meeting of Investors of the BWP Trust ARSN 088 581 097 (**BWP Trust**) will be held at:

Time: 10:00am AWST

Date: 28 July 2025

Place: Perth Convention Centre, Meeting Room 8,
Level 2, 21 Mounts Bay Road, Perth WA 6000

(Meeting)

This notice of meeting (**Notice** or **Notice of Meeting**) is issued by BWP Management Limited ACN 082 856 424 as responsible entity of the BWP Trust (**BWPM**).

In accordance with section 252S(1) of the Corporations Act, the directors of BWPM have appointed Tony Howarth (Chair of the BWPM Board) as Chair of the Meeting.

The accompanying Explanatory Memorandum forms part of this Notice of Meeting and should be read in conjunction with it. Unless otherwise defined in this Notice, terms used in this Notice have the same meaning as set out in the Glossary annexed at **Annexure 4**.

Business of the meeting

The business of the Meeting is to consider, and if thought fit, to pass the following three resolutions (**Resolutions**).

Resolution 1: General approval of Proposed Transaction and related party arrangements (listing rule 10.1)

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

That the Proposed Transaction, as described in the Explanatory Memorandum accompanying this Notice of Meeting and the Prospectus, be approved and for the purposes of Listing Rule 10.1 and for all other purposes, the:

- > Internalisation;
- > Lease Reset and Extension;
- > Capital Expenditure Commitments; and
- > Future Related Party Dealings,

be approved and BWPM (as responsible entity of the BWP Trust) and BWP Property Group, and each of their directors and officers, be authorised to do all things which they consider necessary, desirable or reasonably incidental to give effect to the relevant transactions.

Voting exclusion statement

BWPM (as responsible entity of the BWP Trust) will disregard any votes cast in favour of Resolution 1 by or on behalf of Wesfarmers and Bunnings and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of BWP Trust Units) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- > a person as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with the directions given to the proxy or attorney to vote on Resolution 1 in that way;
- > the chair of the Meeting as proxy or attorney for the person who is entitled to vote on Resolution 1 in accordance with a direction given to the Chair to vote on Resolution 1 as the Chair decides; or
- > a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - > the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 1; and
 - > the holder votes on Resolution 1 in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 2: Approval of employee incentive plan (listing rule 7.2 (exception 13(b)))

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval be given for BWPM (as responsible entity of the BWP Trust) to adopt the Employee Incentive Plan as described in the Explanatory Memorandum and Prospectus, and for BWPM (as responsible entity of the BWP Trust) to issue securities thereunder on the terms set out in the Explanatory Memorandum and Prospectus.

Voting exclusion statement

BWPM (as responsible entity of the BWP Trust) will disregard any votes cast in favour of Resolution 2 by a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of securities under the Employee Incentive Plan (except a benefit solely by reason of being a holder of BWP Trust Units) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- > a person as proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with the directions given to the proxy or attorney to vote on Resolution 2 in that way;
- > the chair of the Meeting as proxy or attorney for the person who is entitled to vote on Resolution 2 in accordance with a direction given to the Chair to vote on Resolution 2 as the Chair decides; or
- > a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - > the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 2; and
 - > the holder votes on Resolution 2 in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibition statement

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 2 if:

- > the person is either:
 - > a member of the key management personnel of BWP; or
 - > a closely related party of a member of the key management personnel of BWP; and
- > the appointment does not specify the way the proxy is to vote on Resolution 2.

However, the above prohibition does not apply if:

- > the proxy is the chair of the Meeting; and
- > the appointment expressly authorises the chair to exercise the proxy even if Resolution 2 is connected directly or indirectly with the remuneration of a member of the key management personnel of BWP.

Resolution 3: Amendments to existing BWP Trust constitution

To consider, and if thought fit, pass the following resolution as a special resolution:

That pursuant to section 601GC(1)(a) of the Corporations Act, the Existing BWP Trust Constitution be amended as set out in the Explanatory Memorandum, and that the New BWP Trust Constitution be approved and adopted as the constitution of the BWP Trust in substitution for and to the exclusion of, the Existing BWP Trust Constitution with immediate effect, and the proportional takeover provisions in clause 14 of the New BWP Trust Constitution be approved for a period of three years from the date of the Meeting.

Entitlement to vote

For the purposes of the Meeting, persons who are registered as Investors at 10:00am AWST on 26 July 2025 will be entitled to attend and vote at the Meeting (subject to any voting exclusions).

Voting procedure

Resolutions 1 and 2 are ordinary resolutions and must be passed by more than 50 per cent of the votes cast by Investors entitled to vote on the relevant Resolution. Resolution 3 is a special resolution and must be passed by at least 75 per cent of the votes cast by Investors entitled to vote on Resolution 3.

Voting will be conducted by poll on all Resolutions.

On a poll, each Unitholder has one vote for each Unit they hold in the BWP Trust.

In accordance with section 253F of the Corporations Act, the value of an Investor's total interest in the BWP Trust will be calculated by reference to the last sale price of BWP Trust Units on the ASX on 25 July 2025.

Quorum

In accordance with clause 3(b) of schedule 2 of the Existing BWP Trust Constitution, the quorum for the Meeting is at least 5 persons holding or representing by attorney, representative or proxy at least 10 per cent of the total number of BWP Trust Units on issue with voting rights.

Registration

If you plan to attend the Meeting, you are requested to arrive at the Meeting venue at least 10 minutes prior to the time designated for the Meeting so that the value of your BWP Trust Units may be checked and your attendance noted.

Corporations

In order to vote at the Meeting (other than by proxy), a corporation that is an Investor may appoint a person to act as its representative. The appointment must comply with section 253B of the Corporations Act. The representative must bring to the Meeting evidence of his or her appointment including any authority under which it has been signed.

Voting by proxy

If you are not attending the Meeting and are entitled to vote on any of the Resolutions, you may appoint one or more proxies to attend and vote for you. A proxy must be a natural person, but otherwise can be any person and does not need to be an Investor. Your proxy can be appointed in respect of some or all of your votes.

If you appoint more than one proxy, you may specify the proportion or number of votes each proxy may exercise. If you appoint more than one proxy and fail to specify the proportion or number of votes that each proxy may exercise, each proxy may exercise an equal portion of the votes. A separate form should be used for each proxy appointment.

To ensure that all Investors can exercise their right to vote on the Resolutions, a Proxy Form will be made available to all Investors with the Explanatory Memorandum.

The Proxy Form allows you to appoint a person (including the Chair of the Meeting) of your choice as your proxy. If you return the Proxy Form without naming a proxy, the Chair will be appointed as your proxy.

You can direct your proxy how to vote and the proxy must vote that way. If you do not give a direction, your proxy may vote as he or she sees fit. You should be aware that if you do not name your proxy, your proxy will be directed to the Chair to vote in favour of the Resolutions and the Chair will exercise your votes in favour of the Resolutions.

To ensure that your vote is cast as you wish, it is recommended that, whoever you appoint as your proxy, you direct your proxy as to how to vote on the Resolutions.

The Proxy Form and the original power of attorney or authority (if any), or a copy of that power or authority which has been notorially certified as a true copy, under which the Proxy Form is signed must be received at least 48 hours before the time for holding the Meeting, being 10:00am AWST on 26 July 2025. Proxies should be lodged in accordance with the instructions set out in the Proxy Form.

You can lodge your completed and signed Proxy Form by:

- > **mobile:** scan the QR Code on the enclosed Proxy Form and follow the prompts;
- > **mailing it to:**
- > Computershare Investor Services Pty Limited
GPO Box 242, Melbourne VIC 3001 Australia;
- > **fax:**
- > 1800 783 447 (within Australia)
- > +61 3 9473 2555 (outside Australia)
- > **lodging it online at:** www.investorvote.com.au; or
- > **Custodian voting:** for Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

Issued by BWP Management Limited ACN 082 856 424 as responsible entity of the BWP Trust ARSN 088 581 097.

Dated: 27 June 2025



Tony Howarth AO
Chair

BWP Management Limited ACN 082 856 424
as responsible entity for the BWP Trust ARSN 088 581 097

For personal use only

EXPLANATORY MEMORANDUM TO NOTICE OF MEETING

BWP Management Limited as responsible entity of the BWP Trust

This is an important document and requires your immediate attention.

If you hold BWP Trust Units, you should read this Explanatory Memorandum in full together with the relevant Notice of Meeting and Prospectus before deciding whether or not to vote in favour of the Resolutions. If the Proposed Transaction is not approved, the BWP Property Group Shares will not be distributed to Investors, and Stapled Securities will not be issued.

Financial Advisor

HIGHBURY
— PARTNERSHIP —

Legal Advisor

**CORRS
CHAMBERS
WESTGARTH**

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1 Summary of the Proposed Transaction

Summary	For more information
What is the Proposed Transaction?	
<p>The Proposed Transaction involves the following steps:</p> <ul style="list-style-type: none"> > forming a new company, BWP Property Group, beneficially owned by the BWP Trust (which has already occurred); > BWP Property Group issuing to BWPM (as responsible entity of the BWP Trust) such number of BWP Property Group Shares equal to the number of BWP Trust Units on issue as at the Stapling Record Date; > amending the Existing BWP Trust Constitution to facilitate the distribution of the BWP Property Group Shares, and the stapling and trading of the Stapled Securities on ASX (the BWP Property Group Constitution already allows for such a stapling); > BWPM (as responsible entity of the BWP Trust) distributing to each Investor one BWP Property Group Share for each existing BWP Trust Unit the relevant Investor holds which is to occur by way of an in-specie capital return; > stapling each BWP Property Group Share to each BWP Trust Unit to form a new stapled security (Stapled Security). Stapled Securities are to commence trading on ASX under the existing ticker ‘BWP’, initially on a deferred settlement basis, with full trading expected to commence on or about 4 August 2025; > BWP Property Group acquiring BWPM (together with its subsidiary entities) from Wesfarmers. Following which, the Stapled Entities (and indirectly, the Investors) will own all the BWPM Management Entities; > Wesfarmers providing the Transitional Services to BWP under the CASA, as further detailed in section 10.2 of the Prospectus; > BWPM as responsible entity of the BWP Trust, NPRM (as responsible entity or trustee (as applicable) of the NPR Sub-Trusts and Bunnings restructuring 62 Bunnings Leases, as detailed further in section 10.3 of this Prospectus; > BWP undertaking store expansion capital expenditure at five Bunnings sites within the BWP property portfolio, representing a development commitment of \$56 million from Bunnings, funded by BWP, with works to commence within three years of Implementation, as detailed further in section 10.3 and section 1.5.7 of the Prospectus⁵²; and > BWP and Bunnings undertaking network upgrade expenditure at Bunnings sites within the BWP property portfolio representing a development commitment of \$30 million jointly funded by BWP and Bunnings (in equal proportions), with works to be completed within five years of Implementation, as detailed further in section 10.3 and section 1.5.7 of the Prospectus. 	<p>For further details please see section 1 of the Prospectus</p>

52 The Capital Expenditure Commitments are subject to development approvals, board approvals and completion of legal documentation.

Summary	For more information
What is the background to the Proposed Transaction?	
<p>On 27 June 2025, BWP announced that it had entered into the Implementation Deed with its ultimate holding company, Wesfarmers. The Implementation Deed follows ongoing consideration by BWP of its future strategy and the advantages that the Internalisation, Lease Reset and Extension and Capital Expenditure Commitments may bring for Investors.</p> <p>Under the current management arrangements of BWP:</p> <ul style="list-style-type: none">> BWPM is appointed as responsible entity of the BWP Trust; and> NPRM (a wholly-owned subsidiary of BWPM) is appointed as responsible entity or trustee (as applicable) of each of the NPR Sub-Trusts. <p>The current management arrangements and fees payable out of BWP are summarised in section 10.1 of the Prospectus.</p> <p>BWP believes that, while the existing arrangements are currently satisfactory and working well, the long-term interests of Investors would be better served by:</p> <ul style="list-style-type: none">> the internalisation of the management functions of BWP, this structure being consistent with industry standards for listed real estate entities the size of the BWP Trust;> the restructuring of the terms of Bunnings Leases within the BWP property portfolio, increasing BWP's WALE from 4.4 years⁵³ to 8.0 years⁵⁴, with the Bunnings WALE more than doubling from 4.6 years⁵⁵ to 9.5 years;⁵⁶> BWP undertaking store expansion capital expenditure at five Bunnings sites within the BWP property portfolio, representing a development commitment of \$56 million from Bunnings, funded by BWP, with works to commence within three years of Implementation, as detailed further in section 10.3 and section 1.5.7 of the Prospectus; and> BWP and Bunnings undertaking network upgrade expenditure at Bunnings sites within the BWP property portfolio representing a development commitment of \$30 million jointly funded by BWP and Bunnings (in equal proportions), with works to be completed within five years of Implementation, as detailed further in section 10.3 and section 1.5.7 of the Prospectus. <p>The BWP Boards consider that the Proposed Transaction is in the best interests of Investors not associated with Wesfarmers.</p>	<p>For further details please see section 1 of the Prospectus</p>

53 As at 31 December 2024.

54 As at 31 December 2024, allowing for the agreed lease extensions to commence at the next anniversary of each current Bunnings Lease, except for the Chadstone lease which will commence at Implementation.

55 As at 31 December 2024.

56 As at 31 December 2024, allowing for the agreed lease extensions to commence at the next anniversary of each current Bunnings Lease, except for the Chadstone lease which will commence at Implementation.

Summary

For more information

What will Investors receive if the Proposed Transaction is Implemented?

To effect the Internalisation, Investors will receive one BWP Property Group Share for each BWP Trust Unit they hold.

The BWP Property Group Shares will only be distributed:

- > to those Investors on the BWP Trust Register at the Stapling Record Date;
- > if the Resolutions are approved by the requisite majorities of Investors present and entitled to vote at the Meeting (in person or by proxy); and
- > if the Conditions to Implementation are all satisfied or waived by the Implementation Date.

Investors are not required to pay any consideration for the BWP Property Group Shares or to complete any application forms, as the issue of the BWP Property Group Shares will be by way of an in-specie capital return and will be facilitated by the New BWP Trust Constitution.

For further details please see **sections 3 and 4** of the Prospectus

Who is BWP Property Group?

BWP Property Group is a newly incorporated public company limited by shares which has not traded and will not trade prior to Implementation.

If the Proposed Transaction is Implemented, Investors will own 100 per cent of BWP Property Group and its subsidiary entities (including the BWP Management Entities). BWP Property Group and the relevant subsidiary entities will (among other things):

- > manage the BWP Trust and the NPR Sub-Trusts (as applicable);
- > manage the properties owned by the BWP Trust and NPR Sub-Trusts; and
- > employ all staff of BWP.

For further details please see **section 6.1** of the Prospectus

Who will manage BWP?

The existing BWPM Board and management will continue with BWP following Implementation, with the Managing Director (Mark Scatena) having agreed to execute a new employment contract with BWP Operations to take effect if Implementation occurs.

The BWP Property Group Board currently comprises the same personnel as the current BWPM Board. If the Proposed Transaction is approved, the Stapling Deed requires the composition of the BWP Boards to be identical or substantially the same.

For further details please see **section 9.1** of the Prospectus

Summary	For more information
What are the financial impacts if the Proposed Transaction is approved?	
<p>From a financial perspective, if the Proposed Transaction is Implemented:</p> <ul style="list-style-type: none">> BWP will no longer pay management fees to Wesfarmers (as the current ultimate holding company of the BWP Management Entities);> consideration will be paid to Wesfarmers valued at approximately \$142.6 million (i.e. the Internalisation Purchase Price) for the acquisition of all the issued shares in the capital of BWPM;> BWP will take on certain employee entitlements which are adjusted against the Internalisation Purchase Price to calculate the net amount to be paid to Wesfarmers;> BWPM (as responsible entity of the BWP Trust) will be injected with cash to ensure continued compliance with its Australian Financial Services Licence (regulatory capital);> the Proposed Transaction is forecast to be accretive to FY2026 distributions. Excluding the Proposed Transaction, BWP's FY2026 distribution is forecast to be 19.03 cents per BWP Trust Unit (including capital profits of \$5.6 million), reflecting 2.0 per cent growth on FY2025. Following Implementation of the Proposed Transaction, BWP's distribution forecast for FY2026 is 19.41 cents per BWP Stapled Security (including capital profits of \$5.6 million). This reflects 2.0 per cent accretion to the FY2026 distribution pre-Implementation, and 2.3 per cent accretion on a pro forma full year basis. BWP's distribution forecast of 19.41 cents per BWP Stapled Security represents a 4.1 per cent increase on the FY2025 distribution of 18.65 cents per BWP Trust Unit;> the consideration paid to Wesfarmers will be partially funded by drawing down BWP's existing debt facilities, increasing BWP's pro forma gearing from 20.6⁵⁷ per cent to 23.0⁵⁸ per cent; and> BWP's pro forma NTA per security as at 31 December 2024 will reduce from \$3.92 to \$3.79 reflecting the \$142.6 million paid by BWP Property Group to Wesfarmers being recognised as an intangible asset (which is excluded from NTA). The reduction in NTA is partially offset by the \$49.9 million⁵⁹ estimated portfolio valuation uplift as a result of the Lease Reset and Extension. <p>See section 7 of the Prospectus for further detail about the Proposed Transaction's financial impact.</p>	<p>For further details please see section 7 of the Prospectus</p>

57 Gearing (calculated as net debt / total tangible assets) as at 31 December 2024.

58 Pro forma gearing (calculated as net debt / total tangible assets) assuming Implementation at 31 December 2024.

59 Estimated valuation uplift is based on management's assessment of comparable evidence of capitalisation rate movements. This assessment has been validated by an independent opinion from JLL, included in **Annexure 2**. This estimated valuation uplift is separate to the 30 June 2025 valuation update disclosed by BWP to the ASX on 27 June 2025.

Summary	For more information
What are the portfolio impacts if the Proposed Transaction is approved?	
<p>If the Proposed Transaction is Implemented:</p> <ul style="list-style-type: none">> the WALE of BWP’s lease portfolio will increase from 4.4 years⁶⁰ to 8.0 years⁶¹, with the Bunnings WALE more than doubling from 4.6 years⁶² to 9.5 years;⁶³> the option tenure of each Bunnings Lease will be restructured to have between 4 and 8 option periods of 6 years each;> BWP and Bunnings will undertake store expansion capital expenditure at five Bunnings sites representing a development commitment from Bunnings of \$56 million, funded by BWP, with works to commence within three years of Implementation. This capital expenditure will be Rentalised at a funding rate equal to the five-year swap rate plus a margin of 200 basis points contributing to future rent and expected growth for BWP⁶⁴; and> BWP and Bunnings will each fund \$15 million (\$30 million in total) of additional network upgrade expenditure to upgrade ageing Bunnings sites to extend their useful life. This capital expenditure will not be Rentalised or result in any associated rent adjustments⁶⁵. <p>In addition to the above, any market rent reviews which, under the existing lease agreements without the effects of the Proposed Transaction, were set to occur prior to the Announcement Date will proceed on terms consistent with the relevant Bunnings Lease.</p>	<p>For further details please see sections 10.3 and 1.5.7 and of the Prospectus</p>

60 As at 31 December 2024.

61 As at 31 December 2024, allowing for the agreed lease extensions to commence at the next anniversary of each current Bunnings Lease, except for the Chadstone lease which will commence at Implementation.

62 As at 31 December 2024.

63 As at 31 December 2024, allowing for the agreed lease extensions to commence at the next anniversary of each current Bunnings Lease, except for the Chadstone lease which will commence at Implementation.

64 Capital Expenditure Commitments are subject to development approvals, board approvals and completion of legal documentation.

65 Capital Expenditure Commitments are subject to development approvals, board approvals and completion of legal documentation.

How is BWP dealing with conflicts and related party issues?

To address conflicts arising from the relationship between Wesfarmers, BWPM and BWP Property Group the BWP Boards have:

- > complied with the existing conflicts management policies relating to BWP; and
- > engaged independent legal, financial, accounting and tax advisors to advise them on the Proposed Transaction.
- > As required by the ASX Listing Rules:
 - > the Internalisation;
 - > the Lease Reset and Extension; and
 - > the Capital Expenditure Commitments,

each of which are proposed to be undertaken in connection with the Proposed Transaction, together with BWP's entry into any Future Related Party Dealings, are to be approved by a resolution of Investors not associated with Wesfarmers at the Meeting. Investors associated with Wesfarmers will not vote on Resolution 1 in respect of the Proposed Transaction.

- > The ASX Listing Rules also require an independent expert to opine on the fairness and reasonableness of the Proposed Transaction and the Future Related Party Dealings. The Independent Expert has concluded that the Proposed Transaction, and Future Related Party Dealings are fair and reasonable and in the best interests of investors not associated with Wesfarmers.
- > While entities associated with Wesfarmers will not vote on Resolution 1, the BWP Trust unitholdings of entities associated with Wesfarmers are significant. This provides considerable alignment of interest between Wesfarmers and Investors not associated with Wesfarmers.

BWP believes these measures significantly address the conflicts and related party issues associated with the Proposed Transaction

Why should you vote in favour of the Resolutions?

- > **Tenant retention and tenant quality continuation** – the Proposed Transaction secures a strong and highly capable national retailer, Bunnings, for additional term certain ensuring continued covenant strength.
- > **Income certainty** – the Proposed Transaction provides increased certainty of future rent, with Bunnings' medium-term vacancy, and any associated income risk, removed.
- > **Longer weighted average lease expiries** – if Implementation occurs, the term certain on 62 Bunnings Leases will be extended resulting in an increase to BWP's WALE from 4.4 years⁶⁶ to 8.0 years⁶⁷, with the Bunnings WALE more than doubling from 4.6 years⁶⁸ to 9.5 years.⁶⁹
- > **Expected valuation uplift from Lease Reset and Extension** – the longer term certain is expected to have an uplift in to property valuations estimated at \$49.9 million⁷⁰ which reflects an 8 basis points compression in BWP's weighted average capitalisation rate to 5.35 per cent.
- > **Lower operating costs** – with the removal of the management fee payable by BWP to Wesfarmers (as the current ultimate holding company of the BWP Management Entities) forecast to be \$22.0 million in the year ending 30 June 2026 (see "Responsible entity's fees" in **section 7.7**), and the internalisation of BWP's operating expenses (forecast to be \$9.6 million for the year ending 30 June 2026, see "Operating costs (internally managed)" in **section 7.7**), BWP's cost of doing business will be reduced, potentially lowering BWP's cost of capital and increasing BWP's competitiveness in bidding on new investments.
- > **Distribution accretion** – the Proposed Transaction is forecast to be accretive to FY2026 distributions. Excluding the Proposed Transaction, BWP's FY2026 distribution is forecast to be 19.03 cents per BWP Trust Unit (including capital profits of \$5.6 million), reflecting 2.0 per cent growth on FY2025. Following Implementation of the Proposed Transaction, BWP's distribution forecast for FY2026 is 19.41 cents per BWP Stapled Security (including capital profits of \$5.6 million). This reflects 2.0 per cent accretion to the FY2026 distribution pre-Implementation, and 2.3 per cent accretion on a pro forma full year basis. BWP's distribution forecast of 19.41 cents per BWP Stapled Security represents a 4.1 per cent increase on the FY2025 distribution of 18.65 cents per BWP Trust Unit.
- > **Capital Expenditure Commitments**⁷¹ – if Implementation occurs, BWP and Bunnings have agreed to undertake store expansion capital expenditure at five Bunnings sites representing a development commitment from Bunnings of \$56 million, funded by BWP, with works to commence within three years of Implementation. This capital expenditure is subject to Rentalisation at a funding rate equal to the five-year swap rate plus a margin of 200 basis points contributing to future rent and expected growth for BWP.
Separately, if Implementation occurs, BWP and Bunnings have each agreed to fund \$15 million (\$30 million in total) of additional network upgrade expenditure to upgrade ageing Bunnings sites to extend their useful life. This capital expenditure is not subject to Rentalisation or associated rent adjustments.
- > **Platform for potential future growth** – following Implementation, new acquisitions should not require a material increase in internal management costs. New acquisitions currently result in an increase in management fees payable to Wesfarmers (as the current ultimate holding company of the BWP Management Entities), potentially limiting the ability to undertake acquisitions or lowering the returns of those acquisitions to BWP.
- > **Potential for diversified and incremental income streams** – while not a strategic driver of the Proposed Transaction, the Proposed Transaction enables the opportunity for BWP to diversify income streams through third party asset and fund management mandates.
- > **Continuity of senior management** – senior management will continue with the Managing Director (Mark Scatena) having agreed to execute a new employment contract with BWP Operations to take effect if Implementation occurs.

For further details please see **section 1.5** of the Prospectus

⁶⁶ As at 31 December 2024.

⁶⁷ As at 31 December 2024, allowing for the agreed lease extensions to commence at the next anniversary of each current Bunnings Lease, except for the Chadstone lease which will commence at Implementation.

⁶⁸ As at 31 December 2024.

⁶⁹ As at 31 December 2024 allowing for the agreed lease extensions to commence at the next anniversary of each current Bunnings Lease, except for the Chadstone lease which will commence at Implementation.

⁷⁰ Estimated valuation uplift is based on management's assessment of comparable evidence of capitalisation rate movements. This assessment has been validated by an independent opinion from JLL, included in **Annexure 2**. This estimated valuation uplift is separate to the 30 June 2025 valuation update disclosed by BWP to the ASX on 27 June 2025.

⁷¹ Capital Expenditure Commitments are subject to development approvals, board approvals and completion of legal documentation.

Summary

For more information

Why should you vote in favour of the Resolutions? (Continued)

- > **Market alignment** – BWP will align with the market standard for REIT management structures. As of the date of this Prospectus, the top 10 Australian REITs by market capitalisation are internally managed and 90 per cent of the REITs by market capitalisation within the ASX 300 index are internally managed REITs. BWP is currently the 14th largest REIT by market capitalisation within the ASX 300 index.
- > **Improved market position** – potential increase in demand and liquidity of Stapled Securities from Investors who have a preference for internally managed REITs.
- > **Corporate governance benefits and Investor alignment** – the Proposed Transaction is expected to enhance accountability, transparency and Investor rights. Management will be employed and incentivised directly by BWP. At each annual general meeting of BWP Property Group Investors will have the ability to vote on the appointment and re-election of directors of BWP Property Group, excluding the Managing Director (including the BWPM Board, as the Stapling Deed requires the composition of the BWP Boards to be identical or substantially the same), and to vote on the remuneration structure and pay outcomes. It is anticipated that the first annual general meeting of BWP Property Group will be held within 18 months after BWP Property Group's registration.
- > The Independent Expert has concluded that the Proposed Transaction, and the Future Related Party Dealings are **fair and reasonable and in the best interests** of investors not associated with Wesfarmers.

For further details please see **section 1.5** of the Prospectus

What are the implications if the Proposed Transaction is not approved?

If the Proposed Transaction is not approved:

- > Investors will not enjoy the benefits of the Proposed Transaction;
- > BWPM will remain as responsible entity of the BWP Trust;
- > NPRM will remain as responsible entity or trustee (as applicable) of the relevant NPR Sub-Trusts;
- > the directors of BWPM will remain the same;
- > the BWP Trust Units will continue to trade on ASX;
- > BWPM (as responsible entity of the BWP Trust) will continue to hold the shares in BWP Property Group and BWP Operations, which are likely to be non-operational entities and as such may be de-registered;
- > BWP will continue to pay external management fees to the BWP Management Entities (which are ultimately owned by Wesfarmers);
- > the Bunnings Leases will remain unchanged and Investors will not enjoy the benefits of the Lease Reset and Extension;
- > all employees of the Business will remain employed by Wesfarmers or a Related Body Corporate of Wesfarmers;
- > BWP will incur approximately \$3.3 million of transaction costs (including legal, accounting and Independent Expert costs) in relation to the Proposed Transaction; and
- > the distribution forecast for FY2026 will be lower.

For further details please see **section 1.8** of the Prospectus

Why might you vote against the Proposed Transaction?

- > **Disagree with conclusions** – you may disagree with the conclusions of the BWP Boards and/or the Independent Expert regarding the benefits of the Proposed Transaction.
- > **Change in risk profile for Investors** – the Proposed Transaction will change the risk profile for Investors, including through exposure to historical liabilities (if any) of BWPM and its subsidiary entities, and dependency on key staff, recognising that the BWP Boards have taken various steps to mitigate these risks including by way of due diligence on the entities being acquired, obtaining limited warranties and tax indemnities from Wesfarmers under the Share Sale and Subscription Deed as to the position of the entities being acquired, and entering into new employment arrangements with employees as described further in **section 9.7** of the Prospectus.
- > **Management costs** – while the Proposed Transaction will remove the payment of management fees to Wesfarmers (as the current ultimate holding company of the BWP Management Entities) forecast to be \$22.0 million in the year ending 30 June 2026 (see “Responsible entity’s fees” in **section 7.7**), the acquisition of the BWP Management Entities will mean that Investors are directly exposed to the ongoing operating costs of management, including the costs of staff, insurance and office premises (forecast to be \$9.6 million for the year ending 30 June 2026, see “Operating costs (internally managed)” in **section 7.7**). Should future expenses exceed expectations, some or all the expected benefits of the Proposed Transaction may not be realised.
- > **Gearing will increase** – the consideration paid to Wesfarmers will be partially funded by drawing down BWP’s existing debt facilities, increasing BWP’s pro forma gearing as at 31 December 2024 from 20.6⁷² per cent to 23.0⁷³ per cent.
- > **Reduction in lease flexibility** – potential deferral of market rent reviews could impact growth, and longer term certain and additional option periods could delay realisation of alternate use benefits, should they exist or emerge over time.
- > **Pro forma NTA per security will reduce** – BWP’s pro forma NTA per security as at 31 December 2024 will reduce from \$3.92 to \$3.79 reflecting the \$142.6 million paid by BWP Property Group to Wesfarmers being recognised as an intangible asset (which is excluded from NTA). The reduction in NTA is partially offset by the \$49.9 million⁷⁴ estimated valuation uplift as a result of the Lease Reset and Extension.
- > **Separation from Wesfarmers** – management will transfer to BWP. However, BWP will have access to Wesfarmers’ resources through the Transitional Services provided under the CASA, with Transitional Services varying in time from two years to five years. Following Implementation, Wesfarmers will:
 - > be a substantial Investor, including via the subscription for 10,867,347 Consideration Securities issued at \$3.92 as part consideration for the Internalisation Purchase Price, therefore increasing its holding in BWP to 23.5 per cent should Implementation occur; and
 - > have the right to nominate a director to the BWP Property Group Board (and the BWPM Board) provided that Wesfarmers and its associates continue to hold at least 15 per cent of the BWP Property Group Shares or the Stapled Securities.
- > **Personal taxation position** – you may believe the impact on your personal taxation position outweighs the benefits of the Proposed Transaction, particularly should the value of the in-specie distribution of BWP Property Group Shares exceed the existing cost base of your BWP Trust Units giving rise to a capital gain.

For further details please see **section 1.6** of the Prospectus

⁷² Gearing (calculated as net debt / total tangible assets) as at 31 December 2024.

⁷³ Pro forma gearing (calculated as net debt / total tangible assets) assuming the adjustments to BWP’s financial position as a result of the Proposed Transaction to the statutory financial position as at 31 December 2024.

⁷⁴ Estimated valuation uplift is based on management’s assessment of comparable evidence of capitalisation rate movements. This assessment has been validated by an independent opinion from JLL, included in **Annexure 2**. This estimated valuation uplift is separate to the 30 June 2025 valuation update disclosed by BWP to the ASX on 27 June 2025.

Summary

For more information

What Resolutions are sought for Investor approval?

Each of the following resolutions is sought to give effect to the Proposed Transaction. Each requires a majority or special majority vote (as applicable) of Investors not associated with Wesfarmers.

- > Resolution 1 is an ordinary resolution generally approving the Proposed Transaction, including approving for the purposes of Listing Rule 10.1 (which requires approval where a 'substantial asset' is being acquired from a person who, together with their associates, has a relevant interest in 10 per cent or more of the total votes attaching to the voting securities in an entity, or an associate of any such person), the:
 - > Internalisation;
 - > Lease Reset and Extension;
 - > Capital Expenditure Commitments; and
 - > Future Related Party Dealings,

and authorising BWP Property Group and BWPM (in its personal corporate capacity and in its capacity as responsible entity of the BWP Trust), and each of their directors and officers, to do all things they consider necessary, desirable or reasonably incidental to give effect to the relevant transactions.

- > Resolution 2 is an ordinary resolution approving the adoption of the Employee Incentive Plan and issue of securities thereunder, and authorising BWP Property Group and BWPM (in its personal corporate capacity and in its capacity as responsible entity of the BWP Trust), and each of their directors and officers, to do all things they consider necessary, desirable or reasonably incidental to give effect to the implementation of the Employee Incentive Plan.
- > Resolution 3 is a special resolution approving the amendment of the Existing BWP Trust Constitution as set out in the Explanatory Memorandum, and that the New BWP Trust Constitution be approved and adopted as the constitution of the BWP Trust in substitution for and to the exclusion of, the Existing BWP Trust Constitution with immediate effect, and approving the proportional takeover provisions in clause 14 of the New BWP Trust Constitution for a period of three years from the date of the Meeting.

Approval is not required under Listing Rule 7.1 as it is being sought under Listing Rule 10.1.

For further details please see the Notice of Meeting and **section 2** of this Explanatory Memorandum

Are there any key conditions precedent?

Implementation will not occur unless the following Conditions, as set out in the Implementation Deed, are all satisfied or waived by the Implementation Date:

- > **(Investor approval)** Resolution 1 being passed by the Investors;
- > **(ASIC and ASX)** each of ASIC and the ASX issuing or providing the consents, waivers and approvals, and doing other such acts, as are necessary to implement the Proposed Transaction;
- > **(quotation of Stapled Securities)** the Stapled Securities being admitted to trading by the ASX on a deferred settlement basis;
- > **(financier consents)** BWP's financiers have given all consents or confirmations agreed between Wesfarmers and BWPM RE prior to the Implementation Date (each acting reasonably) as required to be obtained to implement the Proposed Transaction and such consents or confirmations remain in full force and effect; and
- > **(restraints)** no final restraining order or permanent injunction issued by any Australian court or other material legal restraint or prohibition preventing the Proposed Transaction is in effect at 8.00 am on the Implementation Date.

For further details please see **section 3.2** of the Prospectus

What are the risks of the Proposed Transaction?

- > **Sale of Stapled Securities** – following Implementation, some Investors may not want to continue to hold their Stapled Securities and may wish to sell them. If increased sales of Stapled Securities occurs, this may adversely impact the price of, and demand for, the Stapled Securities.
- > **Counterparty change of control risk** – BWPM or NPRM may be party to agreements that contain pre-emptive or default rights or change of control provisions that may be triggered if BWP Property Group acquires BWPM. These provisions, if triggered, could have negative consequences including enabling a counterparty to terminate a contract, accelerate payment obligations or require BWPM or NPRM to renegotiate a contract or dispose of an interest.

BWP is not aware of any change of control provisions that may be triggered if BWP Property Group acquires BWPM or NPRM, other than under the financing arrangements relating to BWP (and the consent of BWP's financiers to the Proposed Transaction is a Condition to Implementation).

- > **Historical liabilities** – BWP Property Group will acquire BWPM and its subsidiary entities which may have unknown historical liabilities. To address this, the BWP Boards have commissioned legal and tax due diligence on BWPM and its subsidiary entities. The BWP Property Group Board has also obtained limited warranties and tax indemnities from Wesfarmers under the Share Sale and Subscription Deed.
- > **Potential higher operating costs** – following Implementation, BWP will no longer pay management fees to Wesfarmers (as the current ultimate holding company of the BWP Management Entities). While this will give BWP greater control over operating costs, it also exposes BWP to movements and volatility in operating cost structures. Although the BWP Boards have considered the potential costs and consider that such costs following Implementation will be lower than the external management and transaction fees BWP would otherwise have to pay to Wesfarmers (as the current ultimate holding company of the BWP Management Entities) and particularly over time as BWP grows, there is a risk that ongoing operating costs may be higher than anticipated, so that the financial benefits targeted to arise from the Proposed Transaction are not achieved to the extent anticipated, or at all. The Internalisation Purchase Price paid to Wesfarmers for BWPM takes account of anticipated future expenses against anticipated future savings on external fees. If future expenses exceed expectations, there is a risk that the amount paid for BWPM is too high relative to the fee savings.
- > **Financial information** – there is a risk that the assumptions in the financial information in **section 7** of the Prospectus may not be achieved. One-off transaction and ongoing operating costs may be higher than forecast as a result of the Proposed Transaction which may lower profit. Forecasts by their nature are subject to uncertainties and contingencies, many of which are outside the control of BWP. Therefore, there is a risk that the financial benefits targeted to arise from the Proposed Transaction are not achieved to the extent anticipated, or at all.
- > **Employees** – BWP will be reliant on retaining and attracting quality senior management and staff to operate BWP. There is a risk the Proposed Transaction could trigger the loss of services of senior management or key personnel, and new personnel might have less specialist experience or be more expensive which could adversely affect BWP's operations and performance. Managing Director (Mark Scatena) has agreed to execute a new employment contract with BWP Operations to take effect if Implementation occurs. Certain terms will be included in his employment contract such as notice periods, remuneration set at market level and incentives aligned to the long-term interest of Investors through the use of Stapled Securities that have various selling restrictions. The BWP Boards believe that significant steps have been taken to mitigate the risk of personnel losses. This risk already exists today. However, following Implementation, responsibility for managing this risk will be internalised.
- > **Changes in applicable law** – the existence of a company (BWP Property Group) in the new stapled structure gives rise to additional associated regulatory, tax, statutory and legal requirements which may change over time and have implications for Investors. BWP must comply with various legal requirements imposed by securities laws and company laws in Australia. Should any of those laws change over time, the legal requirements to which BWP may be subject could differ materially from current requirements. Furthermore, changes in relevant taxation laws, accounting standards, other legal, legislative or other administrative regimes, and government policies (including government fiscal, monetary and regulatory policies), may have an adverse effect on assets, operations and, ultimately, financial performance of BWP. However, these risks might be seen as a usual part of doing business.

For further details please see **section 5** of the Prospectus

Such risks relating to the Proposed Transaction are assessed in more detail in **section 5** of the Prospectus.

Investors are already subject to a number of risks from their investment in the BWP Trust.

Summary**For more information**

What alternatives to the Proposed Transaction did the BWPM Board consider?

In considering the Proposed Transaction and forming the view that the Proposed Transaction is in the best interests of Investors who are not associated with Wesfarmers, the BWPM Board considered alternative initiatives and the potential implications for Investors.

For further details please see **section 1.4** of the Prospectus

The BWPM Board considered the merits and risks of maintaining the existing arrangements under the Bunnings Leases, not committing to store expansion capital expenditure and network upgrade capital expenditure at certain Bunnings sites and maintaining BWPM (with Wesfarmers as BWPM's sole shareholder) as the BWP Trust's external manager. Whilst this scenario remains a viable alternative this does not provide the benefits of the Proposed Transaction referenced above. In particular:

- > it does not provide the increased BWP WALE from 4.4 years⁷⁵ to 8.0 years⁷⁶, nor increase the Bunnings WALE from 4.6 years⁷⁷ to 9.5 years⁷⁸;
- > it does not provide the expected distribution accretion, increased certainty of future rent and the retention of a strongly performing tenant (Bunnings) in an attractive industry structure;
- > it may constrain the growth of BWP due to the fact that the cost of any new acquisition is currently increased by an increase in fees payable to Wesfarmers (as the current ultimate holding company of the BWP Management Entities) and hence BWP's cost of capital will likely remain higher than if the Proposed Transaction was to proceed; and
- > it would not produce the corporate governance benefits and investor alignment that result from the Proposed Transaction.

Should any further alternative proposal be received by BWP prior to the Meeting, the BWPM Board will consider that alternative proposal having regard to the best interests of Investors and take appropriate actions.

What transaction costs are being incurred in connection with the Proposed Transaction?

BWP will incur transaction costs of approximately \$5.9 million in connection with the Proposed Transaction (a portion of which will be incurred whether Implementation occurs or not).

For further details please see **section 1.8** of the Prospectus

What are the taxation implications of the Proposed Transaction?

The taxation implications of the Proposed Transaction for Investors are addressed in **section 8** of the Prospectus.

For further details please see **section 8** of the Prospectus

When and where is the Meeting?

The Meeting is scheduled for 10:00am AWST on 28 July 2025 at Perth Convention & Exhibition Centre, Meeting Room 8, Level 2, 21 Mounts Bay Road, Perth WA 6000

For further details please see the Notice of Meeting

Am I entitled to vote?

If you hold BWP Trust Units on the BWP Trust Register as at 10:00am AWST on 26 July 2025 (being the Voting Record Date) then you will be entitled to vote at the Meeting, unless you are otherwise excluded for the reasons set out in the Notice of Meeting.

For further details please see the Notice of Meeting

⁷⁵ As at 31 December 2024.

⁷⁶ As at 31 December 2024, allowing for the agreed lease extensions to commence at the next anniversary of each current Bunnings Lease, except for the Chadstone lease which will commence at Implementation.

⁷⁷ As at 31 December 2024.

⁷⁸ As at 31 December 2024, allowing for the agreed lease extensions to commence at the next anniversary of each current Bunnings Lease, except for the Chadstone lease which will commence at Implementation.

Summary**For more information**

How do I vote at the Meeting?

Investors wishing to vote on the Resolutions must either attend the Meeting or return their Proxy Form by 10:00am AWST on 26 July 2025.

For further details please see the Notice of Meeting

Where and when do I send my Proxy Form?

To vote by proxy, you need to validly complete and return the Proxy Form made available to all Investors with this document. Proxy Forms must be received by 10:00am AWST on 26 July 2025 in any one of the following ways:

For further details please see the Notice of Meeting

Online: www.investorvote.com.au

By mail: Computershare Investor Services Pty Limited
GPO Box 242
Melbourne Victoria 3001

Fax: 1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

Can I sell my BWP Trust Units before the Meeting?

Yes, the BWP Trust Units are expected to continue trading on ASX in the normal course (subject to the Listing Rules) until 29 July 2025.

For further details please see **section 10.16** of the Prospectus

Deferred settlement trading of Stapled Securities on ASX is expected to commence on 30 July 2025 with trading on a normal settlement basis commencing on 4 August 2025.

What if I have other questions?

If you have any questions, please contact the toll-free Information Line on 1300 119 134 (within Australia) and +61 3 9415 4352 (outside Australia) between 8:30 am and 5:00 pm AEST Monday to Friday.

Alternatively, you may also contact your financial, legal, taxation or other professional advisor.

2 Resolution information

2.1 Resolution 1 – Related party arrangements

There are a number of:

- > related party arrangements between BWP and Wesfarmers (or subsidiary entities of Wesfarmers, including Bunnings) which are to be entered into in connection with Implementation; and
- > arrangements between BWP and Wesfarmers (or subsidiary entities of Wesfarmers, including Bunnings) which may be entered into in the future in the ordinary course of BWP's Business following Implementation and which may become related party arrangements,

each of which require Investor approval under Chapter 10 of the Listing Rules (*Transactions with persons in a position of influence – Approvals required for certain acquisitions or disposals*). The policy underpinning the requirement for approval pursuant to Listing Rule 10.1 is to protect against a party exercising their position of influence to favour themselves at the expense of the relevant listed entity.

Related party arrangements involving a listed entity or any of its child entities may be subject to Chapter 2E of the Corporations Act (as modified by Part 5C.7) and Listing Rule 10.1. Chapter 2E prohibits a responsible entity like BWPM (as responsible entity of the BWP Trust) from giving a financial benefit to a related party without approval from disinterested securityholders unless a relevant exception (e.g. the 'arms-length terms' exception) applies.

Under Chapter 2E, there is an exception for related party arrangements which are on terms reasonable in the circumstances if the parties were dealing at arms-length, or on terms less favourable to the related party.

BWP believes that the Related Party Dealings are and will continue to be on (or, in respect of the Future Related Party Dealings only, will be on) arm's length terms or on terms less favourable when compared to similar transactions with non-related parties. On this basis, BWP has determined that the Related Party Dealings fall within the arms-length exception to requiring securityholder approval under Chapter 2E.

Unlike Chapter 2E, Listing Rule 10.1 does not contain an exception for related party arrangements which are on 'arms-length terms'. Accordingly, Resolution 1 only seeks approval for (among other things) the Related Party Dealings under Listing Rule 10.1.

As and when other related party arrangements are proposed to be entered into by BWP to which Chapter 2E applies, BWP will either need to obtain Investor approval or satisfy itself that an exception is available, for instance the arms-length terms exception.

2.1.1 Introduction

Listing Rule 10.1 provides that an entity must ensure that neither it, nor any of its child entities, acquires (or agrees to acquire) a 'substantial asset' from, or disposes of (or agrees to dispose of) a substantial asset to, any of the following persons without the approval of holders of the entity's ordinary securities:

- (a) a related party of the entity;
- (b) a child entity of the entity;

(c) a person who is, or was at any time in the six months before the transaction or agreement, a substantial (10 per cent +) holder in the entity;

(d) an associate of a person referred to in (a) to (c) above; or

(e) a person whose relationship to the entity or a person referred to in (a) to (c) above is such that, in the ASX's opinion, the transaction should be approved by securityholders.

Listing Rule 10.2 defines a 'substantial asset' as:

An asset is substantial if its value, or the value of the consideration being paid or received by the entity for it is, or in the ASX's opinion is, 5 per cent or more of the equity interests of the entity, as set out in the latest accounts given to the ASX under the listing rules.

Listing Rule 19.12 defines 'dispose' to include the granting an option (for example, under a lease).

For the purposes of the above, the relevant 'substantial asset' threshold will be based on the equity interests set out in the Pro Forma Balance Sheet of BWP (see **section 7.5** of the Prospectus) and as a result will be approximately \$140 million (**Substantial Asset Threshold**).

Listing Rule 10.1 only requires approval of transactions involving a 'substantial asset'. There may therefore be other related party arrangements of BWP falling below this threshold that are not required to be approved by Investors.

2.1.2 Form of Resolution 1

Resolution 1 is a single resolution that covers the Internalisation, Lease Reset and Extension, Capital Expenditure Commitments and Future Related Party Dealings (i.e. the Related Party Dealings). The Internalisation, Lease Reset and Extension, Capital Expenditure Commitments and Future Related Party Dealings are each separate related party arrangements and together, comprise a number of related party arrangements. As a consequence, if Resolution 1 is passed, it will constitute Investor approval for the purposes of Listing Rule 10.1 in respect of all the Related Party Dealings.

This means that none of the Internalisation, Lease Reset and Extension and Capital Expenditure Commitments, and no one Future Related Party Dealing, can be approved without each of the Internalisation, Lease Reset and Extension, Capital Expenditure Commitments and all Future Related Party Dealings being approved.

Investors approving Resolution 1 is a Condition to Implementation. If Investors do not approve Resolution 1, Implementation will not occur, the Proposed Transaction will not proceed and the status quo will prevail.

Resolution 1 does not seek approval of the Internalisation, Lease Reset and Extension, Capital Expenditure Commitments and Future Related Party Dealings under Chapter 2E such that, if Chapter 2E indeed did apply to the Internalisation, Lease Reset and Extension, Capital Expenditure Commitments or to a Future Related Party Dealing and an exception was not available (for instance, because the arm's length terms exception was not available), BWP would be required to obtain Investor approval before entering into such Related Party Dealing.

The Internalisation, Lease Reset and Extension, Capital Expenditure Commitments and Future Related Party Dealings have been opined on by the Independent Expert in the Independent Expert Report.

2.1.3 Overview of related party arrangements

Relationships between BWP and Wesfarmers (and subsidiary entities of Wesfarmers, including Bunnings) are integral to the nature of BWP's Business and the majority of its transactions. BWP's key governance arrangements ensure that the market is fully informed about these relationships and that all related party transactions are handled with transparency.

Internalisation, Lease Reset and Extension and Capital Expenditure Commitments

The Internalisation is the proposed acquisition by BWP Property Group of all the issued shares in the capital of BWPM, as more fully described in **section 10.1.3** of the Prospectus.

The Lease Reset and Extension is the proposed restructuring of the terms of Bunnings Leases, as more fully described in **section 10.3** of the Prospectus.

The Capital Expenditure Commitments are:

- > BWP undertaking store expansion capital expenditure at five Bunnings sites within the BWP property portfolio, representing a development commitment of \$56 million from Bunnings, funded by BWP, with works to commence within three years of Implementation, as detailed further in **section 1.5.7** of the Prospectus; and
- > BWP and Bunnings undertaking network upgrade expenditure at Bunnings sites within the BWP property portfolio representing a development commitment of \$30 million jointly funded by BWP and Bunnings (in equal proportions), with works to be completed within five years of Implementation, as detailed further in **section 1.5.7** of the Prospectus.

Future Related Party Dealings

Future related party dealings include the future arrangements between BWP and Bunnings (or subsidiary entities of Bunnings) which may be entered into in the future in the ordinary course of BWP's Business following Implementation and which may become related party arrangements for which approval under Listing Rule 10.1 is required including:

- > acquiring Bunnings sites and disposing of Bunnings sites;
- > entering into Bunnings Leases;
- > extending the term of Bunnings Leases, whether by way of agreement or on the exercise of an option to renew; and
- > expending capital for store expansions of, or network upgrades at, Bunnings sites,

in each case where BWP believes it in the best interests of Investors to do so and where the relevant Bunnings site or Bunnings Lease has a value greater than the Substantial Asset Threshold (together, the **Future Related Party Dealings**).

The Future Related Party Dealings are to be entered into:

- > in accordance with the Related Party Governance Framework; and
- > during the Future Related Party Dealings Approval Period.

The Future Related Party Dealings are the related party arrangements between BWP and Bunnings which may be entered into by BWP without obtaining further Investor approval (in addition to the approval under Resolution 1, should it be passed) under Listing Rule 10.1.

To the extent BWP undertakes Future Related Party Dealings that involve the purchase of an asset, this asset is expected to be funded from BWP's balance sheet capability including the potential drawing of debt and/or the potential issuance of new equity. To the extent BWP undertakes Future Related Party Dealings that involve the sale of an asset, the application of the proceeds from sale will be considered in the context of BWP's capital management objectives.

Under an existing waiver granted by the ASX to BWPM (as responsible entity of the BWP Trust) on 30 September 2021 (**ASX Waiver**), BWPM (as responsible entity of the BWP Trust) is permitted to enter into, or extend the terms of any, Bunnings Lease without obtaining Investor approval provided that the conditions of the ASX Waiver are met. In light of the Proposed Transaction and Resolution 1, ASX has informed BWP that it intends to rescind the ASX Waiver if Resolution 1 is approved. The Future Related Party Dealings include those types of related party arrangements between BWP and Bunnings which may be entered into by BWP without obtaining Investor approval under the ASX Waiver until its rescission, and also include new related party arrangements between BWP and Bunnings which may be entered into by BWP without obtaining further Investor approval, all of which are 'ordinary course of business' activities for BWP. To ensure that BWP can carry on its Business effectively, the Future Related Party Dealings apply to related party arrangements involving all members of the BWP group (including NPRM and the NPR Sub-Trusts).

The rationale for seeking Investor approval now for the Future Related Party Dealings is to ensure that BWP is able to operate its Business in the ordinary course without having to frequently seek the approval of Investors, given the number of the related party arrangements that form part of the BWP Business. For a Business such as BWP, requiring BWP to obtain Investor approval on each occasion that BWP intends to enter into a Future Related Party Dealing would create a challenge in terms of business efficacy.

If BWP does not have a standing approval in place and one or more Bunnings sites are put up for sale by Bunnings, any offer to buy the Bunnings sites with lease terms in place (where the lease has a value greater than the Substantial Asset Threshold, taking into account payments for the fixed term of the lease and/or any extensions to the lease) would be subject to Investor approval. This would put BWP at a competitive disadvantage to other potential buyers and would ultimately disadvantage Investors.

In addition, it would be challenging and impractical for BWP to obtain Investor approval on each occasion BWP enters or extends the terms of a Bunnings Lease where such Bunnings Lease has a value greater than the Substantial Asset Threshold. This could potentially require multiple extraordinary general meetings in order for BWP to conduct its ordinary course of business activities.

BWP believes that the policy which underpins Listing Rule 10.1 would not be compromised as a result of seeking Investor approval now for the Future Related Party Dealings, as:

- > **(consistency with current practice under ASX Waiver):** the ASX Waiver currently permits BWPM (as responsible entity of the BWP Trust) to enter into, or extend the terms of any, Bunnings Lease without obtaining Investor approval provided that the conditions of the ASX Waiver are met (which include disclosure of new Bunnings Leases, that lease agreements are substantially on the same terms established by other parties for leases of Bunnings properties, and appropriate rent review provisions are in place). In light of the Proposed Transaction and Resolution 1, ASX has informed BWP that it intends to rescind the ASX Waiver if Resolution 1 is approved. As mentioned above, the Future Related Party Dealings include those types of related party arrangements between BWP and Bunnings which may be entered into by BWP without Investor approval under the ASX Waiver until its rescission, and also include new types of related party arrangements between BWP and Bunnings which may be entered into by BWP without obtaining further Investor approval, all of which are 'ordinary course of business' activities for BWP. The Future Related Party Dealings also apply to related party arrangements involving other members of the BWP group (including NPRM and the NPR Sub-Trusts); and
- > **(standard terms and established patterns of dealings):** the Bunnings Leases are largely on standard terms and there are established patterns of dealings between BWP on the one hand, and Bunnings on the other, including aggregate rental payments over fixed terms and/or extensions of each Bunnings Lease.

2.1.4 Related party governance framework

Given the number of the related party arrangements which are part of the BWP Business and that are likely to have a value greater than the Substantial Asset Threshold, and the need to operate the BWP Business without having to frequently seek the approval of Investors, BWP has developed the Related Party Governance Framework.

The Related Party Governance Framework governs the process and terms on which BWP and Bunnings may, subject to Resolution 1 being passed at the Meeting, undertake Future Related Party Dealings without further Investor approval for the purposes of Listing Rule 10.1 (in addition to the approval under Resolution 1, should it be passed) during the Future Related Party Dealings Approval Period.

The passage of Resolution 1 does not remove the requirement for Investor approval for the purposes of Chapter 2E of the Corporations Act for Future Related Party Dealings, if Chapter 2E were to require Investor approval as a result of the unavailability of one of the exceptions it provides to the need for Investor approval.

The Future Related Party Dealings are not intended to confer any preferential treatment on Wesfarmers or Bunnings. For a Future Related Party Dealing to be entered into without obtaining further Investor approval under Listing Rule 10.1, the Future Related Party Dealing must:

- > be entered into in accordance with the Related Party Governance Framework; and
- > be entered into during the Future Related Party Dealings Approval Period, being the period of six years following the date of the Meeting.

To manage the Future Related Party Dealings on an ongoing basis, BWP must only enter into a Future Related Party Dealing where BWP believes that it is in the Investors' best interests to do so and subject to the following requirements in addition to any other necessary terms.

- > **Annual reporting:** each annual report for BWP must set out clearly the terms of any Future Related Party Dealing for the period since the last annual report.
- > **Terms of Bunnings Leases:** each Bunnings Lease entered into in connection with a Future Related Party Dealing must be on substantially the standard terms established by the parties for leases of Bunnings properties.
- > **Mechanisms for periodic determination of rent:** each Bunnings Lease entered into in connection with a Future Related Party Dealing must contain appropriate mechanisms for the periodic determination of the rent of the relevant Bunnings property, as follows.

In the case of the initial fixed term of a new Bunnings Lease or an extension to an existing Bunnings Lease (to be no longer than 12 years), the relevant terms must provide:

- > for commencing rent that before the Bunnings Lease is entered into (or extended) has been assessed by BWP to be current market rent and which must be confirmed to be the current market rent at the commencement of the term by an independent licensed valuer to BWP; and
- > for annual increases during each year after the first year of the Bunnings Lease (or extension) of either:
 - > a minimum of 2.5 per cent (fixed);
 - > the increase in the CPI; or
 - > the increase in the CPI capped at 2.5 per cent,

which increase has been assessed by BWP before the Bunnings Lease is entered into to be consistent with market practice and which must be confirmed by an independent licensed valuer to BWP.

In the case of the initial fixed term of a new Bunnings Lease or an extended term following a capital upgrade (to be not longer than 12 years from the completion of the capital upgrade) and where there is not to be a market rent review conducted during that extended term commencing after the completion of the capital upgrade, the relevant terms must provide for an appropriate mechanism for determining the rent to be paid during that extended term by reference to the value of the capital upgrades, including the provision of advice from an independent licensed valuer on the increase to the market value of the property (by reason of the upgrade and as a result of the extension of the Bunnings Lease).

In the case of each term following the exercise of an option to renew a Bunnings Lease, the relevant terms must provide:

- > for determining at least every 12 years (including in the case of during an extended term following a capital upgrade) the current market rent to be paid for each Bunnings property, including the provision of advice by an independent licensed valuer on the current market rental value; and
- > that no lower rent than the current market rental value is to be paid for each Bunnings property (other than that the variation may be capped such that the new annual rent will be no greater than 10 per cent (or some larger amount) higher than the total rent payable for the year preceding the date for review of the market rental value).

Any acquisitions of properties from Bunnings, including sale and lease back style transactions, must be on terms and at a price that has been assessed by BWP to be no less favourable to BWP than the current market value and that must be confirmed to be the current market terms as a condition precedent by an independent licensed valuer.

No one individual licensed valuer may provide valuations for the purposes of independent valuations for acquisitions and disposals of real estate, or advice for market rent reviews or calculations on existing or proposed leases or lease extensions or changes to the market value of a property following a capital upgrade or repurposing, in relation to more than 40 per cent in number of the properties held by the BWP during the previous rolling five-year period.

2.1.5 Independent Expert Report

The Listing Rules require the Independent Expert Report to accompany the Notice of Meeting seeking Investor approval for the Related Party Dealings under Listing Rule 10.1. The Independent Expert Report must state whether, in the Independent Expert's opinion, the Related Party Dealings are fair and reasonable to Investors whose votes on the relevant resolution (in this case, Resolution 1) are not to be disregarded. The Independent Expert is required to be independent from BWP.

BWP has engaged Deloitte as the Independent Expert.

The Independent Expert has considered the Related Party Dealings and has concluded that the Proposed Transaction, and the Future Related Party Dealings are **fair and reasonable and in the best interests of investors** not associated with Wesfarmers.

The Independent Expert Report is set out in **section 3** of this Explanatory Memorandum

2.1.6 Related party arrangements – Information required by listing rule 10.5

Requirements under listing rule 10.5	Response
The name of the person from whom the entity is acquiring the substantial asset or to whom the entity is disposing of the substantial asset	<ul style="list-style-type: none"> > Internalisation: BWP Property Group is acquiring 100 per cent of the issued shares in the capital of BWPM from Wesfarmers > Lease Reset and Extension: BWPM and Bunnings are restructuring the terms of Bunnings Leases to (among other things), extend the term certain under each relevant Bunnings Lease > Capital Expenditure Commitments: BWPM and Bunnings are expending capital for store expansions and network upgrades at Bunnings sites <p>For further details please see sections 1.5.7, 10.1.3, 10.2 and 10.3 of the Prospectus</p>
Which category in Listing Rules 10.1.1 – 10.1.5 the person falls within and why	<ul style="list-style-type: none"> > Internalisation: Wesfarmers falls within Listing Rule 10.1.3 as it is currently a substantial holder of the BWP Trust Units (holding 10 per cent+ of the BWP Trust Units) and will, following Implementation, be a substantial holder of the Stapled Securities (holding 10 per cent+ of the Stapled Securities). > Lease Reset and Extension and Capital Expenditure Commitments: Bunnings falls within Listing Rule 10.1.4 as it is an associate of Wesfarmers for the purposes of the Listing Rules. Wesfarmers falls within Listing Rule 10.1.3 as it is currently a substantial holder of the BWP Trust Units (holding 10 per cent+ of the BWP Trust Units) and will, following Implementation, be a substantial holder of the Stapled Securities (holding 10 per cent+ of the Stapled Securities).
Details of the asset being acquired or disposed of	<ul style="list-style-type: none"> > Internalisation: 100 per cent of the issued shares in the capital of BWPM > Lease Reset and Extension: options to extend the term certain under Bunnings Leases > Capital Expenditure Commitments: capital for store expansions and network upgrades at sites <p>For further details please see sections 1.5.7, 10.1.3, 10.2 and 10.3 of the Prospectus</p>
Consideration and intended source of funds	<p>The total consideration payable to Wesfarmers in connection with the Internalisation is \$142.6 million. The Internalisation Purchase Price will be made through the payment of the Cash Consideration, and the issuance of the Consideration Securities, to Wesfarmers. The Cash Consideration will be funded through a \$100 million drawdown from BWP's debt facilities.</p> <p>In respect of the Capital Expenditure Commitments, the store expansion capital expenditure to be funded by BWP is \$56 million and the network upgrade expenditure to be funded by BWP is \$15 million. These commitments are expected to be funded from BWP's debt facilities. The BWP Boards will continue to review capital management initiatives to ensure an appropriate funding mix is maintained.</p>
Timetable for completion	Please refer to Key Dates.
Material terms of the relevant agreement(s)	<ul style="list-style-type: none"> > Internalisation: please refer to section 10.1.3 of the Prospectus for a summary of the material terms of the Share Sale and Subscription Deed and section 10.2 of the Prospectus for a summary of the material terms of the CASA > Lease Reset and Extension: please refer to section 10.3 of the Prospectus for a summary of the material terms of the Lease Variation and Implementation Deed > Capital Expenditure Commitments: please refer to section 10.3 of the Prospectus for a summary of the material terms of the Lease Variation and Implementation Deed
Voting exclusion statement	A voting exclusion statement for Resolution 1 is included in the Notice of Meeting preceding this Explanatory Memorandum.
Independent Expert Report	Please refer to section 3 of this Explanatory Memorandum

2.2 Resolution 2 – Listing rule 7.2 (requirements for notice of meeting under exception 13(b) to listing rule 7.1)

2.2.1 Purpose

Resolution 2 seeks Investor approval for the issue of Stapled Securities under the Employee Incentive Plan.

The BWP Trust is proposing to adopt the Employee Incentive Plan, which recognises the need to motivate, attract and retain employees of BWP to deliver sustainable and superior business performance. It is underpinned by the following principles:

- > remuneration is externally competitive in terms of quantum, mix and design to support the attraction and retention of employees and takes into account the relative size and nature of the BWP business and its ability to pay and the role and experience of employees;
- > remuneration comprises fixed and variable remuneration components;
- > the remuneration focuses on short-term and long-term performance by setting annual key performance indicators and delivering a material proportion of variable remuneration in equity which will be subject to vesting conditions; and
- > the remuneration framework is designed to be simple and transparent.

Once adopted, the Remuneration & Nomination Committee will review the Employee Incentive Plan on an annual basis to ensure that the remuneration arrangements are driving business performance and are aligned with the long-term strategy of BWP.

The Remuneration & Nomination Committee will, as required, obtain advice from external remuneration advisors on aspects of BWP's remuneration policy and structures.

2.2.2 Specific disclosure under exception 13(b) to listing rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed entity can issue without the approval of its securityholders over any 12-month period to 15 per cent of the fully paid ordinary securities on issue at the start of that period. This 15 per cent threshold is commonly referred to as a listed entity's 'placement capacity'.

Exception 13(b) of Listing Rule 7.2 provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive plan if within 3 years before the issue date, the holders of the entity's ordinary securities have approved the issue of equity securities under the plan as an exception to listing rule 7.1.

Exception 13(b) of Listing Rule 7.2 is only available if and to the extent that the number of equity securities issued under the employee incentive plan does not exceed the maximum number set out in the entity's notice of meeting dispatched to securityholders in respect of the meeting at which securityholder approval was obtained pursuant to exception 13(b) of listing rule 7.2. Exception 13(b) of listing rule 7.2 also ceases to be available if there is a material change to the terms of the employee incentive plan from those set out in the notice of meeting seeking securityholder approval to the employee incentive plan for the purposes of that exception.

If Resolution 2 is approved by Investors at the Meeting, the issue of Stapled Securities under the employee incentive plan (up to the maximum number of stapled securities stated in **section 2.2.4**) will be excluded from the calculation of the number of Stapled Securities that BWPM (as responsible entity of the BWP Trust) can issue without Investor approval under Listing Rule 7.1 for a period of three years from the date that Resolution 2 is approved.

BWPM (as responsible entity of the BWP Trust) must seek Investor approval under Listing Rule 10.14 in respect of future issues of Stapled Securities under the Employee Incentive Plan to a director (or their associates), or a person whose relationship with BWPM (as responsible entity of the BWP Trust) or a director (or their associates) is, in the ASX's opinion, such that Investor approval should be obtained.

If Resolution 2 is not approved by Investors at the Meeting, BWP may still be able to proceed with the issue of Stapled Securities under the Employee Incentive Plan (to the extent that BWP has available 'placement capacity' under Listing Rule 7.1), but any such issues will reduce, to the extent of the issue, BWPs 'placement capacity' for the 12-month period following the issue.

2.2.3 Summary of the material terms of the employee incentive plan

Term	Summary
Eligibility	All employees of BWP are eligible to participate in the Employee Incentive Plan, other than key management personnel of BWP (which, as at the date of this Explanatory Memorandum, is only the Managing Director)
Determination of grants	The granting and number of rights to be offered under the Employee Incentive Plan is to be determined by the Board
Service/Performance Conditions	<p>Rights granted under the Employee Incentive Plan will vest subject to:</p> <ul style="list-style-type: none">> conditions requiring a minimum period of service with BWP being satisfied; and/or> certain performance conditions set by the BWP Boards being satisfied. <p>Without limiting the power of the BWP Boards to determine otherwise, minimum service period and/or performance conditions are to generally be satisfied over a period of 2 – 3 years</p>
Change of control	The BWP Boards will determine the treatment of rights granted under the Employee Incentive Plan in the event of a change of control of the Stapled Entities, which may include vesting of rights to allow the relevant employee to participate in the relevant transaction, lapsing or varying the terms of rights to be settled in securities of another entity, and/or to adjust the performance metrics attaching to rights to take into account the impact of the relevant transaction
Cessation of employment	<p>Ceasing employment as an 'eligible leaver' will result in minimum service based rights issued under the Employee Incentive Plan vesting and performance based rights issued under the Employee Incentive Plan remaining in place to potentially vest in accordance with the original performance conditions in the ordinary course</p> <p>Ceasing employment in other circumstances will result in all rights issued under the Employee Incentive Plan lapsing</p> <p>Nothing in this description limits the BWP Boards' discretion to determine otherwise in appropriate circumstances</p>

2.2.4 Maximum number of stapled securities proposed to be issued under the employee incentive plan

The maximum number of Stapled Securities proposed to be issued under the Employee Incentive Plan is 1,000,000 Stapled Securities.

2.2.5 Voting exclusion statement

A voting exclusion statement for Resolution 2 is included in the Notice of Meeting preceding this Explanatory Memorandum.

2.3 Resolution 3 – New BWP Trust Constitution

2.3.1 Background

The Existing BWP Trust Constitution was last revised on 4 February 2020. In the time since the Existing BWP Trust Constitution was last reviewed, there have been a number of developments in law, the Listing Rules, corporate governance principles and general corporate and commercial practice for ASX listed REITs.

The BWPM Board recommends that the Existing BWP Trust Constitution be amended so that amongst other things:

- > the distribution of the BWP Property Group Shares can be effected;
- > the stapling of the BWP Property Group Shares and BWP Trust Units can be effected; and
- > the constitution reflects current market practice.

Many of the proposed changes to the Existing BWP Trust Constitution are administrative or relatively minor in nature (including, for example, amendments to ensure that the New BWP Trust Constitution is in plain English and easier to understand). It is not practicable to list all of the proposed amendments to the Existing BWP Trust Constitution, however a summary of the proposed material amendments is set out below. This summary is not exhaustive and does not include proposed amendments to modernise the language of a clause, nor does it include proposed amendments to a clause where, on balance, the amendments to the relevant clause do not materially alter the effect of the relevant clause on Investors.

A copy of the New BWP Trust Constitution is also available for review by investors at BWP's website at <https://bwptrust.com.au>. Investors are encouraged to read the New BWP Trust Constitution in full before voting on Resolution 3. A copy of the New BWP Trust Constitution can also be sent to Investors on request. Investors are invited to contact BWPM (as responsible entity of the BWP Trust) if they have any queries or concerns.

2.3.2 Summary of material amendment

- > **Clause 10.6 (Overseas Holders):** consistent with market practice, it is proposed that a new clause 10.6 is inserted which broadly provides that, to the extent permitted by the Listing Rules, the Corporations Act and any other applicable ASIC relief, BWPM (as responsible entity of the BWP Trust) is not required to offer BWP Trust Units to holders of BWP Trust securities whose address on the register of unitholders of the BWP Trust is outside Australia.
- > **Clause 15.6 (Distribution in specie):** to facilitate the Proposed Transaction, in particular the distribution of the BWP Property Group Shares to the existing BWP Trust Unitholders, it is proposed that a new clause 15.6 is inserted which broadly provides that:
 - > if a distribution is to be paid wholly or partly by BWPM (as responsible entity of the BWP Trust) by the distribution of specific assets of the BWP Trust, including fully paid shares or other securities of another body corporate, each BWP Trust Unitholder:

- > is taken to have agreed to become members of the body corporate and to be bound by the constitution of that body corporate; and
- > appoints each director of BWPM (as responsible entity of the BWP Trust) as its agent to execute any transfer of shares or other securities, or any other document by the distribution of securities to that BWP Trust Unitholder;
- > where there is a difficulty in relation to an in specie distribution of securities, BWPM (as responsible entity of the BWP Trust) may:
 - > settle the matter as it considers expedient;
 - > determine the value for distribution of specific assets of the BWP Trust or any part of those assets;
 - > determine that cash contributions may be made to a BWP Trust Unitholder on the basis of the value so fixed in order to adjust the rights of the parties; and
 - > vest any such specific assets of the BWP Trust in a trustee, including a trustee for sale; and
- > if a distribution of specific assets of the BWP Trust to a BWP Trust Unitholder or group of BWP Trust Unitholders is, in the opinion of BWPM (as responsible entity of the BWP Trust) impracticable, BWPM (as responsible entity of the BWP Trust) may make a cash distribution to the relevant BWP Trust Unitholders equal to the cash value of the proposed distribution of specific assets of the BWP Trust.

The full clause 15 (Distributions) has also been modified to allow BWPM (as responsible entity of the BWP Trust) greater flexibility to propose and implement capital management initiatives including non-cash distributions and capital returns. The amendments also provide greater certainty around the mechanics of such distributions. The approach taken is consistent with other Australian listed REITs.

- > **Clause 19 (Responsible Entity's Fees and Expenses):** as mentioned in **section 10.1.1** of the Prospectus, in connection with the Proposed Transaction (and in particular the Internalisation), it is proposed that the management fee payable to BWPM (as responsible entity of the BWP Trust) is amended and lowered such that BWPM (as responsible entity of the BWP Trust) is entitled to receive out of the assets of the BWP Trust a monthly fee for managing the BWP Trust of 0.03 per cent of the Gross Asset Value of the BWP Trust determined as at the last day of the relevant month and divided by twelve.
- > **Clause 23.4 (Direct voting):** consistent with market practice, it is proposed that direct voting provisions are included in the New BWP Trust Constitution which permit BWPM (as responsible entity of the BWP Trust) to determine rules and procedures in relation to the giving of direct votes. A 'direct vote' is a vote delivered to BWPM (as responsible entity of the BWP Trust) by means including post or electronically as approved by BWPM (as responsible entity of the BWP Trust).

- > **Clause 25 (Complaints):** consistent with market practice, and for the benefit of Investors, it is proposed that further detail is included in the New BWP Trust Constitution regarding the method by which complaints can be made by Investors to BWPM (as responsible entity of the BWP Trust) and how complaints are to be dealt with by BWPM (as responsible entity of the BWP Trust).
- > **Clause 30 (Stapling):** to facilitate the Proposed Transaction (and in particular the Internalisation), it is proposed that a standard suite of stapling provisions (**Stapling Provisions**) are included in the New BWP Trust Constitution which are to prevail over all other provisions of the New BWP Trust Constitution, except where this would result in a breach of the Corporations Act, the Listing Rules, or any other law.

The Stapling Provisions broadly provide that while stapling applies, the BWP Trust Units and any securities which are stapled to the BWP Trust Units (**Attached Securities**) are to be treated as a single financial product.

There are a small number of mechanical amendments to other provisions in the New BWP Trust Constitution as a result of the proposed stapling, including at clause 5.2 (Allotment and issue of Securities), clause 7 (Partly paid securities, calls, forfeiture and liens), clause 9 (Application procedure), clause 10 (Application price and issue price), clause 11 (transfer and transmission), clause 12 (register), clause 13 (sale of non-marketable parcels), clause 15 (Distributions), clause 17 (Management of trust), and clause 23 (Meetings of unitholders).

2.3.3 Information required by section 648G of the Corporations Act

Clause 14 of the New BWP Trust Constitution contains provisions which prohibit the registration of transfers of BWP Trust Units acquired under a proportional takeover bid unless a resolution is passed by Investors approving the bid. Under the Corporations Act, and as provided for in clause 14 of the New BWP Trust Constitution, the provisions will cease to have effect at the end of three years after they were inserted or renewed.

The Corporations Act also requires that the following information be provided to Investors when they are considering the insertion or renewal of the proportional takeover provisions in a constitution.

Proportional takeover bid

A proportional takeover bid occurs when a bidder offers to acquire only a proportion of each Investor's BWP Trust Units.

Proportional takeover provisions

Under the Corporations Act, entities may include proportional takeover rules in their constitutions that enable securityholders to vote on a proportional bid 'in-principle' before a proportional takeover bid is permitted to proceed.

These rules expire if they are not refreshed by a special resolution of investors every three years. Similar provisions are commonly found in the constitution of publicly listed entities on the ASX and are regularly renewed.

These provisions:

- > are designed to assist Investors to receive proper value for their BWP Trust Units if a proportional takeover bid is made for the BWP Trust or the Stapled Entities (as applicable);
- > prohibit the transfer of BWP Trust Units under a proportional takeover bid unless a provisional takeover bid resolution was passed by Investors in general meeting approving the offer.

Effect of the proportional takeover provisions

If the provisions are inserted and a bid is made for BWP Trust Units, BWPM (as responsible entity of the BWP Trust) must hold a general meeting of Investors to consider whether or not to approve the proportional takeover bid. The resolution must be voted on at least 14 days before the last day of the bid period. Each Investor who, at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote. Investor approval will be received if more than 50 per cent of votes cast by Investors entitled to vote are in favour of the resolution. The bidder and its associates are not allowed to vote on the resolution.

If the resolution to approve such a bid is not passed, transfers which would have resulted from the acceptance of the bid will not be registered and the bid will be taken to have been withdrawn. If the resolution is approved (or taken to have been approved), the transfers must be registered provided they comply with the Corporations Act and the New BWP Trust Constitution.

Reasons for proposing the resolution

The BWPM Board consider the Investors should have the opportunity to vote on any proportional takeover bid for the BWP Trust or the Stapled Entities (as applicable), and that the provisions may avoid Investors feeling pressured to accept a bid in circumstances where they do not want it to succeed.

If takeover approval provisions are not inserted in the New BWP Trust Constitution or approved by Investors, a proportional takeover bid may enable control of the BWP Trust to pass without Investors having the opportunity to sell all of their BWP Trust Units to the bidder. Investors may be exposed to the risk of being left as a minority in the BWP Trust and the risk of the bidder being able to acquire control of the BWP Trust without payment of an adequate control premium for their BWP Trust Units. The proposed proportional takeover provisions decrease this risk because they allow Investors to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

Potential advantages and disadvantages

The proportional takeover provisions allow the BWPM Board to ascertain Investors' views on a proportional takeover bid. It does not otherwise offer any advantage or disadvantage to the BWPM Board who remain free to make their own recommendation as to whether the bid should be approved.

The potential advantages of the proportional takeover provisions for Investors are that:

- > Investors have the opportunity to consider a proportional takeover bid and vote on resolution at a general meeting;
- > the provisions assist Investors in not being locked in as a minority interest;

- > the provisions increase Investors' bargaining power and may assist in ensuring that any proportional takeover bid is appropriately priced; and
- > knowing the view of the majority of Investors assists each individual Investor in assessing the likely outcome of the proportional takeover bid and whether to approve or reject the offer.

The potential disadvantages of the proportional takeover provisions for Investors are that the provisions:

- > may discourage proportional takeover bids in respect of the BWP Trust or the Stapled Entities;
- > may reduce any speculative element in the market price of the BWP Trust Units arising from the possibility of a proportional takeover bid being made;
- > may reduce the likelihood of a proportional takeover bid being successful; and
- > may be considered to constitute an unwarranted additional restriction of the ability of Investors to deal freely with their BWP Trust Units.

The BWPM Board considers that the advantages for Investors of the proportional takeover provisions outweigh the potential disadvantages.

Directors not aware of a proposal

At the date of the Notice of Meeting and this Explanatory Memorandum, no director of BWPM (as responsible entity of the BWP Trust) is aware of any proposal by a person to acquire, or to increase the extent of, a substantial interest in BWP Trust Units.

2.4 ASIC Relief and ASX confirmations and waivers

As part of the Proposed Transaction, BWPM (as responsible entity of the BWP Trust) and BWP Property Group have applied for a number of waivers and confirmations from the ASX, and relief from certain provisions of the Corporations Act from ASIC.

Further details of the ASIC relief and the ASX waivers and confirmations sought are set out in **sections 10.5** and **10.6** of the Prospectus, respectively.

2.5 Investors participating in the Proposed Transaction

For the purposes of identifying Investors entitled to participate in the Proposed Transaction, if the Proposed Transaction is approved at the Meeting, and all other Conditions are satisfied or waived by the Implementation Date, BWP Trust Units will only be recognised if:

- > for dealings effected using CHESS (the computer system used by the ASX to effect the settlement of the purchase or sale of financial products), the transferee is registered in the BWP Trust Register as the holder of the relevant BWP Trust Unit at the Stapling Record Date; and
- > for other types of dealings, dealings that occur before the close of business on the Meeting Date and in respect of which registrable transmission applications or transfers in registrable form in respect of those dealings are received at or before the Stapling Record Date at 5:00pm (AWST) on 31 July 2025.

If the Proposed Transaction is approved, BWPM (as responsible entity of the BWP Trust) will not accept for registration or recognise for any purpose any transmission application or transfer in respect of a BWP Trust Unit received after the times stated above.

2.6 Privacy

Information gathered by BWP to implement the Proposed Transaction or in relation to the Meeting may be personal information for the purposes of the Privacy Act. BWP and the Registry on behalf of BWP will collect, hold and use that personal information to implement the Proposed Transaction, service your needs as an Investor, provide facilities and services that you request and administer BWP.

The Corporations Act requires certain particulars of securityholders to be collected and maintained in a public register. Access to information may also be provided to the agents and service providers of BWP on the basis that they deal with such information as required by law.

If you do not provide the information requested of you by the Registry, your Proxy Form may not be able to be processed. Under the Privacy Act 1988 (Cth), you may request access to your personal information held by (or on behalf of) BWP. You can request access to your personal information by telephoning or writing to BWP. You can access the privacy policy of BWP at <https://www.bwptrust.com.au/site/utilities/privacy>.

3 Independent Expert's Report



BWP Trust

Independent expert's report and Financial Services Guide

26 June 2025

For personal use only

Financial Services Guide (FSG)

What is an FSG?

An FSG is designed to provide information about the supply of financial services to you.

Why are we providing this FSG to you?

Deloitte Corporate Finance Pty Limited (**Deloitte Corporate Finance**) (AFSL 241457) has been engaged by BWP Management Limited in its capacity as responsible entity for BWP Trust (BWPT) to prepare an independent expert's report (our Report) in connection with the Proposed Transaction. BWP Management Limited will provide our Report to you.

Our Report provides you with general financial product advice. This FSG informs you about the use of general financial product advice, the financial services we offer, our dispute resolution process and our remuneration. Our contact details are in the document that accompanies this FSG.

What financial services are we licensed to provide?

We are authorised to provide financial product advice to wholesale clients in relation to derivatives, government debentures, stocks or bonds, interests in managed investment schemes, securities, and regulated emissions units (i.e. Australian carbon credit units and eligible international emissions units). We can also provide general financial product advice to retail clients in relation to the above financial products except for regulated emissions units.

We are also authorised to arrange for another person to deal in financial products in relation to:

- securities, interests in managed investment schemes, government debentures, stocks or bonds, and regulated emissions units and related derivatives to wholesale clients; and
- derivatives to retail and wholesale clients.

We are providing general financial product advice

In our Report, we provide general financial product advice as we have **not** taken into account your personal objectives, financial situation or needs, and you would not expect us to have done so. You should consider whether our general advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is in connection with the acquisition of a financial product, you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we remunerated?

Our fees are usually determined on a fixed fee or time cost basis plus reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us. You are not responsible for our fees.

We will receive a fee of \$250,000 exclusive of GST in relation to the preparation of our Report. This fee is not contingent on the outcome of the Proposed Transaction.

Apart from these fees, Deloitte Corporate Finance, our directors and officers, and any related bodies corporate, affiliates or

associates, and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary, and, while eligible for annual salary increases and bonuses based on overall performance, they do not receive any commissions or other benefits as a result of the services provided to you.

The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

The Deloitte member firm in Australia (Deloitte Touche Tohmatsu) controls Deloitte Corporate Finance. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

We, and other entities related to Deloitte Touche Tohmatsu, do not have any formal associations or relationships with any entities that are issuers of financial products. However, we may provide professional services to issuers of financial products in the ordinary course of business.

Except for this IER, no other services have been provided to BWP Management Limited, BWPT or Wesfarmers Limited in relation to the Proposed Transaction.

What should you do if you have a complaint?

If you wish to make a complaint, please refer to the relevant complaints policy available at:

https://www.deloitte.com/au/en/contact/contact-us.html?cid=bn_contact-us

or contact the Complaints Officer:

Online: www.deloitte.com.au via the Contact Us page

Email: complaints@deloitte.com.au

Phone: +61 (02) 9322 7000

If an issue is not resolved to your satisfaction, you can lodge a dispute with the Australian Financial Complaints Authority (**AFCA**). AFCA provides fair and independent financial services dispute resolution free to consumers.

www.afca.org.au

1800 931 678 (free call)

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne VIC 3001

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services we provide. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

26 June 2025

Deloitte Corporate Finance Pty Limited, ABN 19 003 833 127, AFSL 241457 of Quay Quarter Tower, Level 46, 50 Bridge Street, Sydney NSW 2000.

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Deloitte Corporate Finance Pty Ltd
ACN 003 833 127
AFSL 241457

Quay Quarter Tower
Level 46, 50 Bridge Street
Sydney NSW 2000
Australia

www.deloitte.com.au

The Non-Executive External Directors
BWP Management Limited in its capacity as responsible entity for
BWP Trust
Level 14
Brookfield Place Tower 2
123 St George Terrace
Perth WA 6000

26 June 2025

Dear Directors

Re: Independent expert's report

1 Introduction and background

On 27 June 2025, the board of BWP Management Limited (BWPML), in its capacity as the responsible entity (RE) of BWP Trust (BWP Trust or BWPT), announced that it had entered into an implementation deed with various entities associated with Wesfarmers Limited (Wesfarmers) regarding a number of agreements which are collectively referred to as the Proposed Transaction (and described in further detail below).

BWPT is an externally managed real estate investment trust (REIT) that was established and listed on the Australian Securities Exchange (ASX) in 1998. It invests in Australian retail property, focusing on well-located large retail sites, leased to Bunnings Group Limited (Bunnings), a subsidiary of Wesfarmers. Wesfarmers is also a substantial unitholder in BWPT owning 22.3% of the units on issue.

The Proposed Transactions include the following:

1. Internalisation of the management functions of BWPT (the Proposed Internalisation) which will be achieved through the acquisition of BWPML, an entity currently wholly owned by Wesfarmers;
2. Restructuring the terms of certain leases with Bunnings in respect of properties owned by BWPT (Proposed Lease Reset and Extension Package);
3. Store expansion expenditure commitments and network upgrade expenditure commitments at certain Bunnings sites within the BWPT property portfolio (Proposed Capital Expenditure Commitments¹);
4. Future Related Party Dealings (as discussed further below).

¹ The Proposed Capital Expenditure Commitments are subject to development approvals, board approvals and completion of legal documentation

The Proposed Transaction involves the acquisition of an asset from an associate of a substantial unitholder in BWPT. When such a transaction is proposed (and the consideration for the acquisition is more than 5% of units on issue), Chapter 10 of the Listing Rules of the ASX (the Listing Rules) requires the preparation of a report by an independent expert stating whether the Proposed Transaction is fair and reasonable to, and in the best interests of, the non-associated unitholders. The Proposed Transaction will also constitute a related party transaction for the purposes of Chapter 2E of the Corporations Act 2001 (Cth) (Corporations Act).

The Non-Executive External Directors of BWPML in its capacity as RE of BWPT have requested Deloitte Corporate Finance provide an independent expert's report advising whether, in our opinion, the Proposed Transaction is fair and reasonable to, and in the best interests of, BWPT unitholders (Unitholders) who are not associated with Wesfarmers (the Non-Associated Unitholders).

We have prepared this report having regard to Chapter 2E (as modified by Part 5C.7) of the Corporations Act, Chapter 10 of the Listing Rules, Australian Securities and Investments Commission (ASIC) Regulatory Guide (RG) 76, ASIC RG 111 and ASIC RG 112.

This report is to be included in the explanatory memorandum to be sent to Unitholders (the Explanatory Memorandum) and has been prepared for the exclusive purpose of assisting Non-Associated Unitholders in their consideration of the Proposed Transaction. Neither Deloitte Corporate Finance, Deloitte Touche Tohmatsu, nor any member or employee thereof, undertakes responsibility to any person, other than the Non-Associated Unitholders, BWPML (in its capacity as RE of BWPT) and BWPT, in respect of this report, including any errors or omissions however caused.

2 The Proposed Transaction

2.1 Overview

Under the terms of the Proposed Transaction, BWPT will undertake the Proposed Internalisation by undertaking the following key steps:

- the establishment of a new company (BWP Property Group Limited) and a subsidiary (BWP Operations Pty Ltd)
- BWP Property Group Limited will acquire all the issued shares in BWPML
- each unit in BWPT will be stapled to a share in BWP Property Group Limited, creating a single stapled security which will be listed on the ASX.

BWPT, BWP Property Group Limited and their controlled entities (subsequent to the Proposed Transaction) are collectively referred to as the BWP Group. More details on the key steps summarised above is provided in the Meeting Booklet.

In acquiring BWPML:

- BWP Group will assume rights to manage BWPT
- employees that are currently employed by Wesfarmers and provide services to BWPT, will transfer to BWP Group under new employment arrangements with Mark Scatena (Managing Director), to take effect on implementation of the Proposed Transaction.

Under the terms of the Proposed Transaction, BWP Property Group Limited will acquire BWPML, including a normal level of working capital, for \$142.6m² (Consideration) comprising:

1. \$100m in cash
2. 10,867,347 BWP securities, which based on BWPT's net tangible assets as at 31 December 2024 equates to \$42.6m

The cash component of the Consideration (and transaction costs associated with the Proposed Transaction) will be funded from BWPT's existing debt facilities.

The Proposed Lease Reset and Extension Package aspect of the Proposed Transaction involves 62 leases with Bunnings (the Bunnings Leases) which will be renewed and reset as follows:

- the term of the Bunnings Leases will be extended such that the weighted average lease expiry (WALE) will increase from 4.6 years to 9.5 years at 31 December 2024;
- the options available to extend the Bunnings Leases will be restructured such that Bunnings will have between 4 and 8 option periods of 6 years each for each property; and
- each of the Bunnings Leases is to have a market rent review at the exercise of the first option and every second option after that, with the application of a 10 per cent cap/collar on the rent review.

The Proposed Capital Expenditure Commitments have two components:

- BWPT has committed to expand five Bunnings sites at an estimated cost of \$56m. Bunnings has agreed to an increase in the rent payable for those five Bunnings sites once the capital expenditure has been incurred;
- BWPT and Bunnings have each committed to undertake \$15m of expenditure on improvements at a number of older Bunnings sites without an increase in the rent payable.

Future Related Party Dealings include arrangements between BWPT and Bunnings which may be entered into in the future in the ordinary course of BWPT's Business following implementation and which may become related party arrangements for which approval under ASX Listing Rule 10.1 is otherwise required. These include:

- acquiring and disposing properties with Bunnings sites;
- entering into leases with Bunnings;
- extending the term of leases with Bunnings- which may be by way of agreement or the exercise of an option to renew; and
- incurring capital expenditure for store expansions of, or network upgrade of maintenance at, Bunnings sites,

in each case where BWPT believes it is in the best interests of BWPT to do so and where the relevant property or lease has a value greater than the substantial asset threshold³.

The Directors of the RE of BWPT propose to enter into the Future Related Party Dealings in accordance with a Related Party Governance Framework that they have developed.

² Subject to an adjustment in respect of the accrued leave entitlements of certain employees transferring to the BWP Group

³ ASX Listing Rule 10.2 defines a 'substantial asset' as "an asset is substantial if its value, or the value of the consideration being paid or received by the entity for it is, or in the ASX's opinion is, 5 per cent or more of the equity interests of the entity, as set out in the latest accounts given to the ASX under the listing rules"



Subject to the above, the Directors of the RE of BWPT are seeking Non-Associated Unitholder approval to enter into Future Related Party Dealings during the Future Related Party Dealings Approval Period being a period of six years following the date of the meeting at which Non-Associated Unitholders approve the Future Related Party Dealings.

There are a number of other aspects to the Proposed Transaction which are set out in the Explanatory Memorandum that are not considered significant.

2.2 Key conditions of the Proposed Transaction

The Proposed Transaction is subject to approval by the majority of Non-Associated Unitholders.

There are also a number of procedural regulatory and third-party approvals that are in the process of being obtained.

Finally, the Proposed Internalisation, Proposed Lease Reset and Extension Package, Proposed Capital Expenditure Commitments, Future Related Party Dealings and other immaterial aspects of the Proposed Transaction are part of one resolution being put to Non-Associated Unitholders such that one aspect cannot proceed without the other aspects unless that resolution is approved by Non-Associated Unitholders.

3 Basis of evaluation

3.1 Guidance

In evaluating whether the Proposed Transaction is fair and reasonable to, and in the best interest of Non-Associated Unitholders, we had regard to the ASX Listing Rules, ASIC RG 76 in relation to related party transactions, ASIC RG 111 in relation to the content of expert's reports and ASIC RG 112 in relation to the independence of experts.

Chapter 10 of the Listing Rules

ASX Listing Rule 10.1 requires securityholder approval if a listed entity proposes to acquire a substantial asset (being an asset valued in excess of 5% of the listed entity's equity interests) from an entity which is a related party of the entity, or owns (or owned at any time in the prior 6 months) 10% or more of the listed entity, or their respective associates. Accordingly, an independent expert's report is required to be commissioned under ASX Listing Rule 10.5.10. The report must state the expert's opinion on whether or not the transaction is fair and reasonable to, and in the best interests of Non-Associated Unitholders.

Neither the ASX Listing Rules, nor the Corporations Act provide a definition of fair and reasonable for the purposes of ASX Listing Rule 10. However, Listing Rule 10 can encompass a wide range of transactions. Accordingly, fair and reasonable must be capable of broad interpretation to meet the particular circumstances of each transaction. This involves judgement on the part of the expert as to the appropriate basis of evaluation to adopt given the particular circumstances of the transaction.

As Chapter 10 of the Listing Rules provides little guidance on how such transactions should be assessed, we had regard to ASIC RG 111, as discussed below.

ASIC RG 76

According to ASIC RG 76, a related party transaction is any transaction through which an entity provides a financial benefit to a related party. As noted in paragraph RG 76.1, related party transactions involve conflicts of interest because related parties are often in a position to influence the decision of whether the benefit is provided to them and the terms of its provision.

ASIC RG 76 refers to ASIC RG 111 and ASIC RG 112 for guidance on how the independent expert should assess related party transactions.

ASIC RG 111

ASIC RG 111 provides guidance in relation to the content of independent expert's reports prepared for a range of transactions. ASIC RG 111 notes that a related party transaction is:

- fair, when the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the benefit being received. In valuing the financial benefit given and the consideration received by the entity, an expert should take into account all material terms of the proposed transaction
- reasonable, if it is fair, or, despite not being fair, after considering other significant factors, shareholders should vote in favour of the transaction.

ASIC RG 112

RG 112 primarily focuses on the independence of experts and provides no guidance on evaluating transactions.

3.2 Evaluation of fairness and reasonableness of the Proposed Transaction

In evaluating whether or not the Proposed Transaction is fair and reasonable to, and in the best interest of Non-Associated Unitholders, we have made a separate assessment of whether, or not, the Proposed Transaction is 'fair' and 'reasonable' as required by RG 111.56. The criteria which we have used to assess the fairness and reasonableness of the Proposed Transaction are set out below.

Fairness

- how the Consideration compares with the benefits BWP Group will receive from the Proposed Transaction

Reasonableness

- advantages and disadvantages of the Proposed Transaction
- other options available to BWPT
- implications if the Proposed Transaction does not proceed.

Given the Future Related Party Dealings relate to dealings with respect to assets and leases and the terms of which are not known today, the traditional approach to evaluation of such possible transactions cannot be applied. However, the principles that guide the assessment of a Future Related Party Dealing can still be in line with the following:

1. the Future Related Party Dealing must be in the best interests of BWP Group securityholders as a whole;
2. the Future Related Party Dealing must be on terms that would be reasonable in the circumstances if BWP Group and Bunnings were dealing at arm's length or less favourable to Bunnings;
3. the Future Related Party Dealing must be substantially on the same terms as an equivalent arrangement with a third party who is not a related party, or on terms more favourable to BWP Group.

With the above in mind, our assessment of the Future Related Party Dealings focussed on the background to the need for the Related Party Governance Framework and the effectiveness of the design of the Related Party Governance Framework.

4 Profile of BWPML

4.1 Background

BWPML, a wholly owned subsidiary of Wesfarmers, was appointed as the RE of BWPT on 18 June 1998, in accordance with BWPT's constitution. As the RE, BWPML operates with an Australian Financial Services Licence (AFSL) and complies with the requirements of the Corporations Act.

Wesfarmers also owns approximately 22.3% of the issued units of BWPT.

BWPML provides the following management services to BWPT:

- property management – operating the real estate assets in the portfolio, including management of properties, maintenance services, marketing and promotion
- leasing – acting as an agent for the properties and co-ordinating activities regarding leasing, including the negotiation of new leases and renewal of existing leases
- property acquisition and divestment – coordinating the process of acquiring and selling properties
- financial management – accounting, budgeting, and debt management
- corporate governance – risk management, compliance, and disclosure.

BWPT's portfolio as at 31 December 2024 is summarised in the table below:

Table 1: Summary of BWPT's property portfolio

	Unit	Total
Number of properties	No.	82
Value	\$m	3,641
Lettable Area¹	m ²	1,155,931
Occupancy	%	98.7
WALE	years	4.4

Note:

1. For Bunnings sites, this comprises the total retail area of the Bunnings site

Subject to rounding

Source: BWPT's first half of FY25 (H1FY25) Financial Results

BWPT's property portfolio consists of large-format retail properties located across Australia. A breakdown of BWPT's property portfolio by State is provided in the below table:

Table 2: BWPT's property portfolio by state

State	No. of properties	Rental (\$m pa)	Capitalisation Rate ¹ (%)	Value (\$m)
NSW/ACT	18	44.6	5.25%	848.0
QLD	21	53.0	5.55%	898.0
SA	2	3.0	5.38%	77.7
VIC	25	73.9	5.33%	1,316.9
TAS	2	3.6	5.25%	66.5
WA	14	25.9	5.92%	433.9
Total	82	204.0	5.43%	3,641.0

Note:

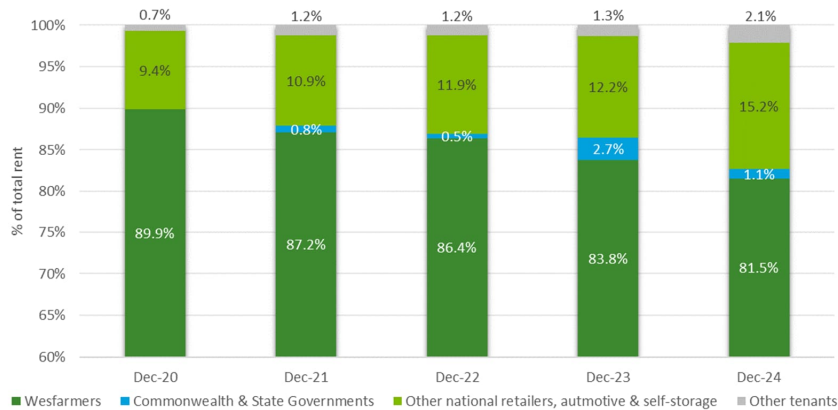
1. The capitalisation rate refers to the estimated potential rate of return on a real estate investment property and is commonly used to value property. The total capitalisation rate in the table above reflects the weighted average capitalisation rate (weighted based on the value of the property).

Subject to rounding

Source: BWPT's H1FY25 Financial Results

Wesfarmers, including its wholly owned subsidiary, Bunnings, is BWPT's largest tenant accounting for approximately 81.5% of rental income. Bunnings is Australia's largest retailer of home improvement and outdoor living products. BWPT has diversified its rental income somewhat over the past five years, as demonstrated in the figure below.

Figure 1: BWPT's rental income mix



Note: Wesfarmers includes Bunnings, along with other Wesfarmers entities such as Officeworks and Kmart
Source: BWPT's H1FY25 Financial Results

In June 2024, BWPT completed an off-market takeover of Newmark Property REIT (NPR). Concurrent with this transaction, Newmark REIT Management Limited (NPR Management), the RE of NPR, became a wholly owned subsidiary of BWPML, agreed to align management fee arrangements over NPR properties and is in the process of merging the operations of the two entities to realise synergies (mostly related to meeting regulatory obligations).

4.2 BWPT Constitution

As the RE of BWPT, BWPML operates under an AFSL and performs all the usual responsibilities of a trustee and RE in accordance with the Corporations Act. This includes overseeing the investment strategy and asset management, monitoring the performance of service providers, managing the capital and debt structure, ensuring financial reporting and compliance and liaising with investors.

The RE is entitled to receive an annual management fee of 0.55% per annum of the gross asset value of BWPT. The RE is also entitled to a fee of 0.05% per annum of the gross asset value of BWPT up to \$200m and 0.035% per annum of the amount by which the gross asset value of BWPT exceeds \$200m. The RE may waive the whole or any part of their fee.

A summary of the key terms of the constitution including the services provided by BWPML and the fees payable by BWPT are set out below.

Table 3: RE powers and terms under BWPT constitution

Terms	Description
Responsibilities	<p>Under the constitution, BWPML is responsible for:</p> <ul style="list-style-type: none"> the management of BWPT and collecting rental income the investment of assets, with powers to acquire or dispose of real estate properties arranging finance, with powers to borrow or raise money or incur liabilities determining the distribution entitlement of Unitholders and distributing the entitlements risk management and compliance policies arranging insurance and valuations of assets financial, accounting and tax services providing capital expenditure reports and implementing capital expenditure works in relation to the properties.
Fees charged	<p>Under the existing Trust constitution, BWPML (as the RE) is entitled to receive a fee calculated at the rate of 0.1375% per quarter (equivalent to 0.55% per annum) of the gross asset value of BWPT plus a further fee being the greater of:</p> <ol style="list-style-type: none"> a fee calculated at the rate of 0.0125% per quarter (equivalent to 0.05% per annum) of the gross asset value of BWPT up to \$200m, and a fee calculated at the rate of 0.00875% per quarter (equivalent to 0.035% per annum) of the amount by which the gross asset value of BWPT exceeds \$200m; or \$10,000 per quarter (adjusted quarterly for CPI). <p>BWPML received Management fees of \$10.6m in H1FY25 (\$21.1m annualised).</p>
Retirement and removal	<p>Despite any other law, BWPML may only retire as RE of BWPT in accordance with Section 601FL of the Corporations Act.</p> <p>Further, BWPML may only be removed as RE of BWPT in accordance with Section 601FM of the Corporations Act.</p>

Source: BWPT constitution

4.3 Management team

The senior management team comprises an experienced group of professionals with skills across origination, asset management, operations, project and development management and finance.

The table below summarises the senior team members and their responsibilities.

Table 4: Senior management team

Responsibilities	Personnel	Tenure (years)
Managing Director	Mark Scatena	2
Head of Finance	David Hawkins	17
Head of Property	Andrew Ross	20
General Counsel & Company Secretary	Warren Baillie	1

Note: Tenure is subject to rounding

Source: Meeting Booklet

The senior management team collectively has extensive leadership and industry experience, including the following:

- Mark Scatena, appointed Managing Director in September 2023, has held senior roles in various Wesfarmers divisions since 2001, including Wesfarmers Chemicals, Energy & Fertilisers, Target and Coles
- David Hawkins, appointed Head of Finance in October 2022, has held various roles in BWPML since July 2008 and has over 35 years' experience in accounting, tax and finance
- Andrew Ross, appointed Head of Property, joined BWPML in 2005 with prior experience as a syndicate portfolio manager with Centro Properties Group and asset manager at MCS Property in Melbourne. Andrew has over 30 years' experience in property management, property valuation, leasing, and development
- Warren Baillie, appointed General Counsel and Company Secretary in November 2024, is an experienced corporate and commercial lawyer. Prior to BWPML, Warren held various senior legal and governance roles at Woodside Energy, including 12 years' experience as Group Company Secretary. Warren is also the compliance manager.

The senior management team is supported by eight additional staff, bringing the total number of employees to 12. The supporting staff include:

- an asset manager, facilities manager, and two development managers who report to the Head of Property. In addition, the facilities manager is supported by a facilities lead
- a finance and accounting principal, who reports to the Head of Finance, and is supported by an assistant accountant
- a specialist in sustainability, investor relations and office enablement who reports directly to the managing director.

All staff are currently employed by Wesfarmers related companies and are based in Perth, Western Australia.

Mark Scatena has agreed to execute a new employment contract with the BWP Group which will take effect if the Proposed Transaction is implemented.

4.4 Directors of BWPML

The Board of BWPML comprises of non-executive, external directors, with the exception of Mark Scatena (who is the Managing Director of BWPT). The Board governs BWPT, along with senior management.

Table 5: The Directors and Company Secretaries of the BWPML

Personnel	Function	Tenure (years)
Anthony (Tony) Howarth AO	Chair, Non-Executive Director	13
Mark Scatena	Managing Director	2
Fiona Harris AM	Non-Executive External Director	13
Michael (Mike) Steur	Non-Executive External Director	10
Alison Quinn	Non-Executive External Director	6
Danielle Carter	Non-Executive External Director	4
Warren Baillie	General Counsel and Company Secretary	1
David Hawkins	Company Secretary	1

Note: Tenure subject to rounding and refers to tenure as a Director or Company Secretary
Source: Meeting Booklet

If the Proposed Transaction is implemented, all directors will continue, and each of the external directors will be considered independent directors for the purposes of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition).

If the Proposed Transaction is implemented Wesfarmers will have the right to nominate a director to the BWP Group, so long as Wesfarmers and its associates continue to hold at least 15% of the stapled securities of the BWP Group.

4.5 Key drivers to the performance of the RE

Fee income is based on the gross asset value of BWPT and therefore our analysis is focussed on BWPT.

4.5.1 Property values

Management fee income is based on the gross asset value of BWPT, which is largely dependent on the value of the underlying properties held in BWPT.

BWPT's aggregate property values over the 5-year period to 31 December 2024 is presented in the figure below.

Figure 2: BWPT property values – previous 5 years (\$m)



Note: Property values includes assets held for sale
Source: BWPT Annual and Interim Reports

The fair value of the BWPT's properties has grown steadily over the period from 30 June 2020 to 31 December 2022, reflecting limited acquisitions and consistent growth in property valuations. At 30 June 2023, property valuations declined reflecting capitalisation rate expansion as a consequence of interest rate increases. The capitalisation rate continued to increase slightly between 30 June 2023 and 31 December 2023, remained stable through to 30 June 2024, and has since declined. This was aligned with the rest of the Australian property market. BWPT's property values increased from \$3.0bn as at 31 December 2023 to \$3.5bn as at 30 June 2024 following the acquisition of NPR and capital expenditure of \$33.5m.

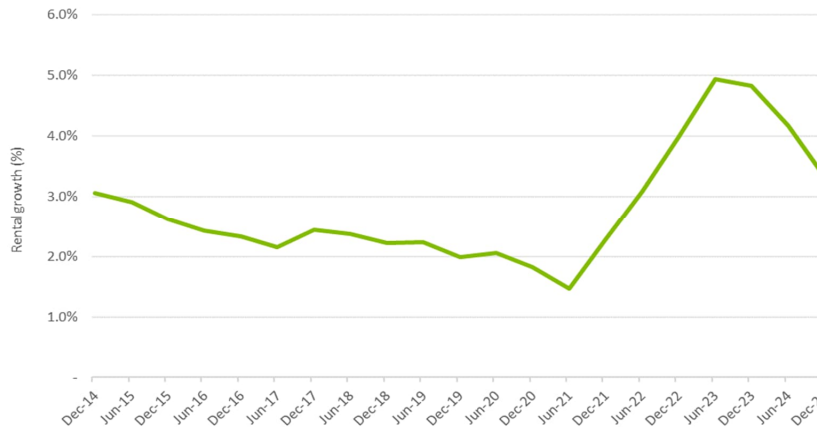
With respect to the BWPT portfolio, an external valuer was engaged to value 13 of the properties, with the remainder (69 properties) subject to Director valuations in December 2024 as part of preparing BWPT's H1FY25 interim report. Of the 69 properties that were subject to Director valuations, eight were valued by external valuers as at 30 June 2024.

4.5.2 Rental income growth

The rent receivable for each leased property is increased annually, either by a fixed percentage or the consumer price index (CPI), except when a property is due for a market rent review. Rental income growth reflects the increase in rental income due to both rent increases (on a like-for-like basis), and acquisitions of property assets.

BWPT's annual rental income growth over a 10-year period to 31 December 2024 is presented in the figure below.

Figure 3: BWPT like-for-like rental income growth – previous 10 years (\$m)



Note: Like-for-Like rental income growth (excludes acquisitions and developments)
Source: Management

BWPT's rental income has steadily increased over time driven largely by property acquisitions and increases in rent. BWPT recorded like-for-like rental growth of 3.3% for H1FY25, with a rental review structure of 48.0% subject to CPI, 50.5% fixed and 1.5% subject to market rent reviews.

4.5.3 Sector outlook

According to IBISWorld⁴, revenue for the retail property sector is forecast to decline by an annualised 1.1% over the next five years, despite achieving annualised revenue growth of 4.7% for the past five years to 2025. This outlook is largely driven by the digital transition of consumer spending, and the continued cost of living pressures.

The retail property sector has recovered from the COVID-19 pandemic which disrupted consumer behaviour, business operations and economic activity. However, retail property operators are facing reduced demand as the shift of consumer preferences to online retail services has constrained demand for traditional bricks-and-mortar stores. As the online presence of retailers are expanded, retailers may reduce the number of physical stores which would reduce retail property occupancy rates and operators' rental income. To mitigate some of this impact, retail property managers will opt to secure tenants who are unable to provide their goods or services via e-commerce as they offer more lifestyle and experience services such as gyms, bars and beauty studios.

The continued cost of living pressures and recent cash rate hikes have put pressure on households, causing a reduction in discretionary consumer spending and restricting retail growth. Further, the increased cash rates have reduced the ability of retailers to finance the commencement or expansion of projects. Whilst retail spaces are currently experiencing high vacancy rates, should interest rates stabilise and inflationary pressures ease, the ability of retail property operators to acquire and lease property may expand.

Large-format retail sub-sector

The large-format retail sub-sector in Australia has grown over recent years, breaking out from the broader retail property sector as a specialist segment given sustained consumer demand. Large-format retail properties

⁴ L67128 Retail Property Operators in Australia Industry Report, October 2024.

typically rely on lower rents per square metre and are often strategically located in non-prime areas, with efficient floorplans to enable tenants to store and transport bulky goods.

Despite the challenges of the broader retail property sector, the large-format retail sub-sector growth remains resilient due to several factors including population growth and limited new retail space development. Recent growth in the housing and construction sectors has also fuelled tenant demand for large-format retail space.

Whilst there has been a shift of consumer preferences to online retail services, consumers of products sold in large-format retail premises typically prefer to purchase items (such as furniture, white goods, hardware, and electrical items) in a physical store. Further, the large-format retail sub-sector is also expected to continue benefiting from the growth of omnichannel retail strategies, where physical stores, in addition to providing customer service, facilitate backend logistics for online orders.

The large-format retail sub-sector has also experienced increased diversification of tenant mix as consumers opt for more experience driven retail environments, thereby resulting in more lifestyle and non-traditional retailers in the tenant mix.

As a result of the above, the large-format retail sub-sector, relative to the broader retail sector, is expected to remain an attractive sub-sector.

4.6 Financial performance

The table below sets out the audited consolidated financial performance of BWPML for FY23 and FY24, and management's budget for FY25 (FY25B). BWPML management has provided us with normalisation adjustments which we have discussed below.

Table 6: BWPML's financial performance

	Audited 12 months FY23	Audited 12 months FY24	Budget 12 months FY25B
\$m (unless otherwise stated)			
Revenue	17.9	18.4	20.7
Management expenses	(4.2)	(5.2)	(4.7)
Travel expenses	(0.3)	(0.3)	(0.5)
Auditor's remuneration	(0.1)	(0.2)	-
Other operating expenses	(0.8)	(1.5)	(2.6)
Total operating expenses	(5.4)	(7.3)	(7.8)
EBITDA	12.5	11.2	13.0
Normalisation adjustments			
Other operating expenses	-	1.4	-
Adjusted EBITDA	12.5	12.6	13.0
Key metrics			
Revenue growth (%)	10.8%	3.2%	17.4%
EBITDA margin (%)	69.8%	60.7%	62.5%
Adjusted EBITDA margin (%)	69.8%	68.1%	62.5%

Note: Subject to rounding

Source: BWPML Financial Statements, FY25 budget, Management, Deloitte Corporate Finance analysis

We note the following in relation to the financial performance of BWPML:

- revenue consists of management fees received from BWPT. Management fees were expected to increase in FY25 as a result of the acquisition of NPR at the end of March 2024, and FY25 being the first full year of management fees being derived from the NPR Trust. In addition, the value of the properties managed by BWPML increased
- management expenses in FY24 account for more than 70% of total operating expenses and consists of the remuneration of senior management and other staff, rental, insurance and reimbursement of other professional services provided by Wesfarmers
- other operating expenses consists of consultant fees, legal fees, subscriptions, and other general and administrative expenses. Other operating expenses increased substantially in FY24 and were expected to increase in FY25 due to increased legal, consulting and compliance costs as a result of the NPR acquisition
- normalisation adjustments in FY24 of \$1.4m relate to non-recurring expenses such as consultant fees, additional compliance work required in relation to the NPR acquisition and other one-off employee costs.

Management have advised that they currently estimate completing FY25 with an EBITDA of \$13.6m, noting that they are currently outperforming budget due to property valuations being higher than budgeted. Further, we understand from discussions with executives of BWPML that once the full integration of NPR is completed, there is an expectation of a reduction in costs associated with regulatory compliance which is expected to result in an increase in profitability. Outside of this, there is no expectation of any further increases in profitability outside of what may come through normal business activities.

4.7 Financial position

The table below sets out the audited consolidated financial position of BWPML as at 30 June 2023 and 30 June 2024.

Table 7: BWPML's financial position

\$m (unless otherwise stated)	Audited 30-Jun-23	Audited 30-Jun-24
Receivables from parent entity	15.9	15.5
Other receivables and prepayments	5.1	5.7
Payables	(0.3)	(1.0)
Net working capital	20.7	20.2
Intangible assets	-	22.5
Total intangible assets	-	22.5
Provision for income tax	(3.2)	(2.7)
Deferred tax liability	(0.0)	(0.2)
Total other liabilities	(3.3)	(2.9)
Net assets attributable to equity holders	17.4	39.7

Note: Subject to rounding

Source: BWPML Financial Statements, Deloitte Corporate Finance analysis

We note the following in relation to the financial position of BWPML:

- the balance sheet of BWPML comprises of mainly receivables, prepayments and intangible assets
- receivables and prepayments predominantly consist of surplus cash deposited with Wesfarmers which is receivable on demand and earns no interest. As at 30 June 2024, this accounted for more than 70% of total receivables and prepayments. These intercompany receivables allow the company to satisfy the requirements of the AFSL (as discussed below)
- intangible assets of \$22.5m as at 30 June 2024 relate to management rights recognised under financial reporting standards following the acquisition of NPR in late March 2024.

BWPML holds an AFSL, and its financial position must comply with the following ASIC requirements:

- BWPML must have net tangible assets of at least \$10m
- BWPML must also have at least 50% of the required net tangible assets in cash or cash equivalents.

It is currently the expectation that the majority of the receivables will be repaid prior to implementation of the Proposed Transaction and BWPML will be transferred with normal levels of working capital (with any other tangible assets or liabilities being the subject of adjustment to the Consideration).

5 Impact of the Proposed Transaction

5.1 Changes to property portfolio

The following table presents various changes to the metrics of the property portfolio as a result of the Proposed Transaction.

Table 8: Property profile changes as a result of the Proposed Transaction

	Unit	Properties with Bunnings Leases subject to the Proposed Lease Reset and Extension Package ¹	Other properties with Bunnings leases	Properties without any Bunnings leases	Total
Number of properties	No.	62	3	17	82
Gross lettable area ²	sqm	930,259	46,051	179,621	1,155,931
Prior to the Proposed Transaction					
Annual rental	\$'000	168,054	5,902	30,352	204,308
Average rental income per sqm	\$ per sqm	5,535.5	7,803.2	5,917.9	5,657.8
Percentage of overall annual rental revenue	%	82.3%	2.9%	14.9%	100.0%
Value	\$m	3,128.8	64.7	447.5	3,641.0
Percentage of overall value	%	85.9%	1.8%	12.3%	100.0%
WALE ^{1,4}	years	4.6	1.2	4.1	4.4
After the Proposed Transaction					
Annual rental	\$'000	167,613	5,902	30,352	203,866
Average rental income per sqm	\$ per sqm	5,550.1	7,803.2	5,917.9	5,670.0
Percentage of overall annual rental revenue	%	82.2%	2.9%	14.9%	100.0%
Value	\$m	3,178.7	64.7	447.5	3,690.9
Percentage of overall value	%	86.1%	1.8%	12.1%	100.0%
WALE ^{1,4}	years	9.0	1.2	4.1	8.0

Notes:

As at 31 December 2024 and calculations may be influenced by rounding

- Properties with Bunnings Leases subject to the Proposed Lease Reset and Extension Package but noting that there may also be leases with non-Bunnings tenants at these properties. As a result, the WALE differs to the Bunnings WALE disclosed in the Meeting Booklet as it includes rent from non-Bunnings Leases tenants on the property whereas the Bunnings WALE disclosed in the Meeting Booklet refers to the WALE on Bunnings Leases only.
- For Bunnings sites, this comprises the total retail area of the Bunnings site
- Annual rental figures are based on management accounts as at 31 December 2024 and include certain adjustments. As a result there is a slight difference in the figure reported in this table and tables 1 and 2 in Section 4.1.
- WALEs as at 31 December 2024. The post-Proposed Transaction WALEs allow for the new agreed initial term to commence at the next anniversary of each current Bunnings Lease, except for the Chadstone lease which will commence at implementation

Source: Meeting Booklet, Management, Deloitte Corporate Finance analysis, Management and BWPT's H1FY25 Financial Report

As outlined in Section 2.1, the Proposed Lease Reset and Extension Package will vary certain terms of the Bunnings Leases including increasing the Bunnings Leases' 'term certain' by between 5 years to 10 years and providing Bunnings with between 4 and 8 renewal option periods of 6 years each.

In addition to extending the lease tenure, the lease terms will vary as follows:

- for existing leases where Bunnings is obliged to reimburse BWPT for a proportionate share of the relevant State's land tax, the property will now be treated as "single holding" land tax premises and as such Bunnings will only reimburse BWPT up to the 'single holding' amount of the land tax and not any more than that. As a result of this change, land tax expense will increase by \$0.7m in FY26
- for certain Bunnings sites that would be entitled to store expansion funding as a result of the Proposed Capital Expenditure Commitments, the rentalisation rate will be based on the 5-year bank bill swap rate plus 200 basis point. This is discussed further in Section 5.2.

As a result of the Proposed Lease Reset and Extension Package, the WALE is expected to increase from 4.4 years to 8.0 years for the entire BWPT portfolio, and from 4.6 years to 9.5 years for the Bunnings Leases in the BWPT portfolio⁵. As such, the Proposed Lease Reset and Extension Package is expected to eliminate the risk of Bunnings vacating various properties at the end of what was otherwise viewed as a relatively short remaining unexpired term.

The Directors estimate that the total value of BWPT's property portfolio would increase from \$3,641m to \$3,690m⁶ as a result of the Proposed Lease Reset and Extension Package. The estimated uplift of \$49.9m represents 1.37% of the total portfolio value as at 31 December 2024. This estimate was based on the anticipated change to the valuation capitalisation rate for the Bunnings Leases whereby:

- a reduction in the capitalisation rate was applied to properties where the lease had less than four years of remaining term certain at 31 December 2024 (with the exception of certain stores discussed below). The capitalisation rate was reduced by 0.25% for the lease properties located in metropolitan areas and 0.50% for the lease properties located in regional areas
- for existing leases with less than four years of remaining term certain at 31 December 2024, the capitalisation rate was not adjusted noting that, for the majority of the stores, the extended term did not add any inherent value as the leased properties were located in prime locations and it was highly likely that Bunnings would seek to continue to occupy the property beyond the current expiry date
- two stores in Queensland were an exception to having the capitalisation rates reduced, despite the longer term certain, due to consideration of their size, age and shape of the lease property as well as their capital value
- the Chadstone Bunnings lease reflects a 5-year term and a reduction in its passing rent of 10%. Further, the new Hawthorn Bunnings lease reflects an 8-year term and a 5% reduction in its passing rent. We understand that the reduction in rental for both properties is offset by management's estimate of a 0.25% tightening in the capitalisation rate and as a result, there is no change to the capital values.

Outside of that noted above, we understand that rental income expectations are not expected to change, and the increase in the property valuation is wholly attributed to the proposed increase of the 'term certain'.

The Directors engaged JLL, a commercial real estate and property investment business, to review the estimated valuation uplift of \$49.9m, as well as the rationale for the uplift. JLL considered each property's location, existing term certain, trade area population growth outlook and the risk of competitors entering the location in the near future. JLL have validated the Directors' estimated valuation uplift of \$49.9m. A copy of JLL's opinion is set out in Annexure 2 of the Meeting Booklet.

This estimated valuation uplift has been calculated based on assessed values as at 31 December 2024 and is different to the 30 June 2025 draft valuation update disclosed by BWPT to the ASX on 27 June 2025.

We understand that the three leases with Bunnings which are not subject to the Proposed Lease Reset and Extension Package are Wagga Wagga, Rocklea and Geraldton. These leases were excluded from the Proposed Lease Reset and Extension Package as Bunnings have previously notified BWPT of its intention to vacate the sites, or have already vacated the site.

⁵ As at 31 December 2024

⁶ Based on property portfolio valuations as at 31 December 2024

5.2 Changes to obligations

The Proposed Transaction will result in an obligation for BWPT to spend \$56m at five Bunnings sites as set out in the table below:

Table 9: Summary of Proposed Capital Expenditure Commitments

Bunnings site	Proposed Capital Expenditure Commitments	Valuation of property as at 31 Dec 2024 ¹	Capitalisation rate implicit in valuation as at 31 Dec 2024
Balcatta, WA	\$15m	\$49.5m	5.00%
Nunawading, QLD	\$3m	\$62.7m	4.75%
Maitland, NSW	\$25m	\$31.5m	5.50%
Gladstone, VIC	\$3m	\$55.6m	6.75%
Smithfield, QLD	\$10m	\$27.1m	6.25%

Note: Valuation of property as at 31 December 2024 is pre any uplift as a result of the Proposed Transaction
Source: Meeting Booklet, Management

The works are expected to commence within 3 years of the implementation of the Proposed Transaction and BWPT expects to fund the works through debt facilities.

As part of the Proposed Transaction, the parties have agreed that once the works are completed, the rent paid by Bunnings will be increased by the capital expenditure multiplied by the 5-year swap rate plus 200 basis points. Our calculations suggest that this rate (5.71% as at 4 June 2025) is roughly equivalent to the capitalisation rate implicit in the valuation of the properties (as set out in Table 9 above) and, as such, the impact on value of this commitment is likely to be immaterial (i.e. the increase in value due to the higher rental income will be roughly equal to the Proposed Capital Expenditure Commitments).

In addition to the above, Bunnings and BWPT have agreed to spend \$15m each to upgrade certain Bunnings sites to extend their useful lives. A number of sites have been identified and there will be no additional rent paid by Bunnings. The works are expected to be completed within the next 5 years. Overall, this capital expenditure is insignificant, but it could be argued that given the intention is to extend the useful life, it could result in an increase in the value of the properties.

5.3 Changes to Wesfarmers' ownership interest

As a result of the issue of additional units to Wesfarmers under the Proposed Transaction, its interest will increase from 22.3% to 23.5%. There is no expectation of a change in board representation which currently entitles Wesfarmers to have a director on the board of BWP Property Group Board so long as Wesfarmers has an interest exceeding 15.0% of the units on issue. Wesfarmers will continue to be the single largest unitholder.

5.4 Financial impacts

Management have prepared a pro-forma consolidated balance sheet of BWP as at 31 December 2024 as if the Proposed Transaction was implemented on 31 December 2024. Management have also prepared a forecast FY26 consolidated statement of profit or loss as if the Proposed Transaction was implemented on 1 August 2025. Both statements, along with the basis of preparation, are disclosed in Section 7 of the Prospectus. This pro-forma information has been the subject of independent review by KPMG.

The following table presents the changes in various metrics of BWPT as a result of the Proposed Transaction.

Table 10: Other implications of the Proposed Transaction

	Unit	BWPT Pre-Proposed Transaction ¹	Impact of the Proposed Transaction	BWPT Post-Proposed Transaction	Percentage change
Securities on issue	#m	713.5	10.9	724.4	1.5%
Net asset value	\$m	2,798.8	88.4	2,887.2	3.2%
Net asset value per security	\$	3.92	0.06	3.99	1.6%
Net tangible assets	\$m	2,798.8	(50.8)	2,748.0	(1.8%)
Net tangible assets per security	\$	3.92	(0.13)	3.79	(3.3%)
Gearing	%	20.6%	2.4%	23.0%	11.6%
Wesfarmers ownership	%	22.3%	1.2%	23.5%	5.2%
FY26 forecast distributable profit	\$m	135.8	4.8	140.6	3.6%
FY26 forecast distribution per unit	cps	19.03	0.38	19.41	2.0%

Note:

1. Reflects audited metrics of BWPT as at 31 December 2024 unless otherwise stated

Subject to rounding

Source: Meeting Booklet, Deloitte Corporate Finance analysis

BWP Property Group Limited will acquire BWPML and each unit in BWPT will be stapled to a share in BWP Property Group Limited. As a result, Unitholders will continue to receive distributions from the units they own in the Trust, as well as being entitled to receive dividends from shares in BWP Property Group Limited. These dividends have the potential to be franked and therefore provide imputation credits.

The number of units on issue is expected to increase as a result of the issue of 10,867,347 units to Wesfarmers.

Whilst net asset value per security increases as a result of the Proposed Transaction from \$3.92 to \$3.99 per share, net tangible assets per security is expected to decrease from \$3.92 to \$3.79, as a result of the intangible assets, including goodwill, being acquired.

The gearing of BWPT is expected to increase marginally, from 20.6% to 23.0% due to the additional debt being drawn down to finance the cash component of the Consideration. Notwithstanding this increase, the gearing will continue to be within BWPT's target gearing range.

Should the Proposed Transaction be implemented, the FY26 distribution forecast of 19.03 cents per BWPT security will increase to 19.41 cents per BWP security, representing an increase of approximately 2% as a result of the Proposed Transaction. This is principally driven by the net increase in earnings that is anticipated due to the cost savings from the internalisation of management of BWPT and after, additional interest as a result of the debt drawn to fund the cash component of the Consideration and additional land tax costs as a result of lower reimbursement from Bunnings.

6 The Related Party Governance Framework

6.1 Background

The ASX has previously granted waivers to BWPT which have permitted it to enter into, or extend the terms of any, leases with Bunnings without obtaining approval from Non-Associated Unitholders provided that the conditions of the ASX waiver were met. However, the ASX has indicated that if the Proposed Transaction is approved, it intends to rescind the waivers previously granted. As such, absent seeking Non-Associated Securityholders approval (and putting in place the Related Party Governance Framework), BWP Group would be required to seek approval from securityholders for any significant transaction that it proposed to enter into, or amend, with Bunnings.

The commercial relationships between BWPT and Bunnings are extensive. As set out above 65 of the 82 properties owned by BWPT have Bunnings as a tenant. As such there are regular discussions and negotiations between BWPT and Bunnings with respect to commercial arrangements in respect of these properties and tenancies.

6.2 Summary of the Related Party Governance Framework

The detail of the Related Party Governance Framework is set out in Section 2.1.4 of the Explanatory Memorandum. The key aspects in the context of our evaluation are discussed below.

The Related Party Governance Framework governs the process and terms by which BWP and Bunnings may undertake Future Related Party Dealings without further BWP Group Securityholder approval for the purposes of Listing Rule 10.1 for a period of six years following the date of the meeting at which Non-Associated Securityholders approve the Future Related Party Dealings (which based on the current expectation of the date of the meeting would be 28 July 2031).

We understand that the Related Party Governance Framework includes conditions which mirror those set out in the waiver BWPT has previously received from the ASX.

The Related Party Governance Framework does not remove the requirement for BWP Group Securityholder approval for the purposes of Chapter 2E of the Corporations Act⁷, if required.

The Related Party Governance Framework requires BWP Group to only enter into a Future Related Party Dealing where BWP Group believes it is in the best interests of BWP Group Securityholders to do so.

The Related Party Governance Framework creates additional obligations on BWP Group which can be summarised as follows:

New leases with Bunnings

- each lease that is entered into with Bunnings must be substantially in line with the standard terms established by the parties for leases of Bunnings sites
- commencing rent must have been assessed by BWP to be current market rent and must be confirmed to be the current market rent by an independent licensed valuer
- annual increases during each year after the first year must be of either (i) a minimum of 2.5 per cent (fixed); (ii) the increase in the CPI; or (iii) the increase in the CPI capped at 2.5 per cent, where the relevant increase must have been assessed by BWP Group to be consistent with market practice (before the lease is entered into) and must be confirmed by an independent licensed valuer

⁷ Chapter 2E of the Corporations Act focuses on transactions where public company provides a financial benefit to a related party.

Property upgrades

- where there is a property upgrade and where there is not to be a market rent review conducted during that extended term commencing after the completion of the property upgrade, the relevant terms must provide for an appropriate mechanism for determining the rent to be paid during that extended term by reference to the value of the property upgrades, including the provision of advice from an independent licensed valuer on the increase to the market value of the property (by reason of the upgrade and as a result of the extension of the Bunnings Lease)

Acquisitions or disposals

- any acquisitions of properties from Bunnings, including sale and lease back style transactions, or disposals of properties to Bunnings, must be on terms and at a price that has been assessed by BWP Group to be no less favourable to BWP Group than the current market value and that must be confirmed to be the current market terms by an independent licensed valuer.

A number of the additional requirements require an opinion from an independent licensed valuer. The Related Party Governance Framework requires that no one individual licensed valuer may provide advice for such purposes, in relation to more than 40 per cent in number of the properties held by the BWP Group during the previous rolling five-year period.

In addition to the above, each annual report for BWP Group must set out clearly the terms of any Future Related Party Dealing for the period since the last annual report.

To the extent there are any other future arrangements between BWP Group and Bunnings (or any other Wesfarmers entity), these would be the subject of determination by the Board of BWP Group as to whether BWP Group Securityholder approval should be obtained.

7 Valuation of the benefits of the Proposed Transaction

7.1 Introduction

In assessing whether the Proposed Transaction is fair, we had assessed the value of the benefits of the Proposed Transaction which include:

1. the market value of BWPML, inclusive of a normal level of working capital as discussed in Section 7.3
2. the value of the Proposed Lease Reset and Extension Package as discussed in Section 7.4 below
3. the value of the Proposed Capital Expenditure Commitments as discussed in Section 7.5 below
4. transaction costs which BWPT will incur in respect of the Proposed Transaction as discussed in Section 7.6 below.

The overall assessment of the valuation of the benefits of the Proposed Transaction is then summarised in Section 7.6.

7.2 Valuation of BWPML

7.2.1 Selection of valuation methodology

For the purposes of assessing the market value of BWPML, we have defined market value as the amount at which the shares in BWPML would be expected to change hands in a hypothetical transaction between a knowledgeable willing, but not anxious, buyer and a knowledgeable willing, but not anxious, seller acting at arm's length.

Special purchasers may be willing to pay higher prices to reduce or eliminate competition, to ensure a source of material supply or sales, or to achieve cost savings or other synergies arising on business combinations, which could only be enjoyed by the special purchaser. Our valuation has not been premised on the existence of a special purchaser. In this respect we note that BWPT could be viewed as a special purchaser who may be able to derive additional benefits. Our assessment of the market value has not considered these additional benefits only available to BWPT.

In selecting an appropriate methodology to estimate the market value of BWPML, we considered common market practice and the valuation methodologies recommended by RG 111. Further information on valuation methodologies is set out at Appendix 1. In estimating the market value of BWPML, we have:

- assessed the market value of BWPML using the market multiples method as our primary methodology. This method involves applying a multiple to an estimate of maintainable earnings. In this regard, we note:
 - earnings are expected to be relatively stable for BWPML, given it is based on fixed fee rates and (indirectly) the value of the underlying properties under management
 - whilst we were not able to identify publicly listed business enterprises that are exclusively focussed on real estate funds management (which we discuss further below), there are an adequate number of transactions involving business enterprises with operations sufficiently comparable to BWPML from which a meaningful comparison can be undertaken and an appropriate multiple can be selected
- cross-checked our estimate of the market value of BWPML using:
 - the percentage of funds under management (FUM) method, based on the FUM multiples observed in recent transactions in the funds management sector
 - our estimate of the market value of BWPML using a high-level capitalisation of earnings method (which is a method under the income approach and is akin to the discounted cash flow method).

We note based on our experience and as indicated through other independent expert reports, it is common in the industry to value entities such as BWPML using the market multiples methodology.

We have not considered an asset-based method under the cost approach as such a methodology ignores the value of intangible assets held by BWPML such as its management agreements and other know-how.

7.2.2 Application of the market multiples methodology

The market multiples method estimates the market value of BWPML by applying a multiple to the future earnings of the entity. In applying the market multiples approach, we have considered the following:

- the level of earnings that the existing operations could reasonably be expected to generate. We have selected EBITDA as an appropriate measure of earnings because this allows a better comparison with the earnings multiples of other companies. For these types of businesses we do highlight that EBITDA and EBIT are not dissimilar due to low levels of depreciation and amortisation
- the EBITDA multiple observed from recent transactions involving comparable business enterprises to BWPML.

Future earnings

Future maintainable earnings represent earnings that the existing operations could reasonably be expected to generate.

In determining our assessed maintainable EBITDA, we had regard to the normalised FY23 and FY24 actual, as well as FY25 budget, as discussed above in Section 4.6 and as summarised in the table below.

Table 11: BWPML's adjusted EBITDA

\$m	FY23	FY24	FY25B
Adjusted EBITDA	12.5	12.6	13.0

Source: BWPML Financial Statements, BWPML management, Deloitte Corporate Finance analysis

Normalised EBITDA in FY23 or FY24 is not reflective of current EBITDA expectations given the substantial increase in the gross asset value of BWPT as a result of the NPR acquisition undertaken in the second half of FY24. The increase in gross asset value as a result of the NPR acquisition has led to an increase in expected revenue and EBITDA for BWPML as evidenced by the FY25 budget EBITDA noted above.

We understand that Management's current expectation of EBITDA relative to FY25B is \$13.6m. Further, discussions with executives of BWPML indicate that following the full integration of NPR, regulatory compliance and reporting costs are expected to decrease, which is anticipated to improve profitability. There is no reason to believe that this improved level of EBITDA cannot be sustained into the future.

Consequently, to account for the steady growth in earnings expected for FY25 and beyond, as well as the anticipated cost reductions following the full integration of NPR, we have adopted a maintainable EBITDA of \$14.0m.

EBITDA multiple selection

Introduction

Whilst it would also be typical to consider multiples observed from listed companies, we note that most publicly listed companies with operations comparable to BWPML are not solely property managers; they also hold real estate assets and/or financial investments. They are much larger, and their values (and consequently implied multiples) are affected by their ownership of other assets and co-investment interests they manage.

As such, the calculation of trading multiples based on publicly listed companies would need to take account of these factors. Typically, we would make adjustments in our calculation of a multiple by: (i) reducing the enterprise value by the value of these assets and (ii) calculating EBITDA to exclude any revenue and/or costs associated with these assets.

However, given limitations in disclosures that make these adjustments challenging, the utility of the valuation multiples implied by listed companies is limited and we have only been able to consider recent transactions involving property management businesses.

In selecting comparable transactions, we have sought to identify those transactions relating to an internalisation or sale of management rights in the property sector.

Recent transactions

We considered the selected comparable transactions outlined in Appendix 2 in detail and have summarised them in the table below. All the comparable transactions relate to the acquisition of a controlling interest in a funds management business largely focussed on the property sector.

Table 12: Selected comparable transactions

Date ¹	Target	Currency	Consideration paid ¹ (\$m)	FUM (\$bn)	Implied EBITDA multiple	Implied consideration as % of FUM
May 2025	IP Generation	AUD	90.4	2.0	7.9x	4.5%
February 2024	Goodman NZ	NZD	290.0	4.5	13.2x ²	6.4%
April 2023	Challenger Real Estate	AUD	37.7	3.4	3.1x	1.1%
August 2022	Fortius Funds Management	AUD	57.5	1.9	6.7x ³	3.0%
March 2022	Aventus Holdings	AUD	146.7	2.6	N/A	5.8%
January 2022	PMG Funds	NZD	44.0	0.9	7.1x	4.9%
May 2021	APN Property Group Limited	AUD	136.6	2.9	15.2x	4.7%
April 2021	Primewest Group Limited	AUD	417.2	5.0	19.0x	8.3%
March 2021	Precinct Properties New Zealand Limited	NZD	215.0	3.5	14.7x ²	6.2%
October 2020	Investec Australia Property Fund	AUD	40.0	1.1	9.1x	3.7%
June 2020	goFARM Australia Pty Ltd	AUD	10.5	0.3	n/a	3.4%
June 2020	Augusta Capital Limited	AUD	82.0	1.8	NM	4.6%
	Average				10.7x	4.7%
	Median				9.1x	4.6%

Notes:

1. Announcement date
2. EBITDA based on normalised savings expected to be realised
3. EBITDA multiple presented on a historical basis due to availability of information

Source: Annual reports, ASX announcements, S&P Capital IQ, Deloitte Corporate Finance analysis

With respect to the above transactions, we note the following:

- in May 2025, MA Financial Group announced it had entered into an agreement to acquire IP Generation which is a specialist real estate investment firm, which manages approximately \$2.0bn of retail shopping centre assets
- in February 2024, Goodman Property Trust announced it has entered into an agreement with Goodman Group to internalise the management of Goodman Property Trust. The Goodman Property Trust was largely invested in industrial and warehouse properties located in Auckland and broader New Zealand, operating a property portfolio of NZ\$4.5bn. Along with internalising management, Goodman NZ was also seeking to establish a funds management platform with a target of NZ\$2.0bn of FUM within a three-to-five-year timeframe

- in April 2023, Elanor announced it had entered into an agreement with Challenger Limited to acquire the Challenger Real Estate Platform which at the time of the announcement, had approximately \$3.4bn funds under management, with \$2.7bn relating to Challenger Life
- in August 2022, Growthpoint Properties announced it had entered into an agreement to acquire Fortius Funds Management which is a private real estate funds management business with approximately \$1.9bn FUM across the office, retail and mixed-use sectors. It also had a private credit funds management business
- in March 2022, HomeCo Daily Needs REIT and HMC Capital acquired Aventus Group. The transaction was effected by HomeCo Daily Needs REIT buying the Aventus REIT (which owned all the properties) and HMC Capital buying Aventus Holdings Limited (which managed the REIT and the properties). Aventus REIT owned a number of large format retail properties with Bunnings being the largest tenant of the REIT
- in January 2022, 360 Capital REIT announced it had entered into an agreement to sell its 50% interest in PMG Funds which is a New Zealand real estate funds management business with approximately NZ\$0.9bn FUM across 5 unlisted open-ended funds. The cash consideration paid of NZ\$22.0m has been grossed up to reflect a 100% valuation of PMG Funds and excludes amounts paid for NTA
- in May 2021, APN Property Group announced it had entered into a scheme implementation deed with Dexu, whereby Dexu would acquire all the securities in APN Property Group. APN Property Group was an ASX listed Australian real estate manager with approximately \$2.9bn across 11 real estate funds. We have referred to the consideration for the funds management business, excluding the consideration attributable to co-investments in its managed funds
- in April 2021, Centuria Capital announced a conditional off-market takeover offer to acquire all the securities in Primewest Group Limited which was an ASX-listed real estate fund manager and developer with FUM of \$5.0bn comprising listed and unlisted REITs across several asset classes
- in March 2021, Precinct Properties announced it had reached an agreement with the manager, AMP Haumi Management Limited, to internalise management of the fund. The fund was largely invested in office properties in Auckland and Wellington
- in October 2020, Investec Australia Property Fund announced a transaction which effectively resulted in the internalisation of the management of the fund. The fund was largely focussed on investing in commercial property in Australia
- in June 2020, Primewest Group Limited acquired GoFARM Asset Management Pty Ltd, the manager of Vitalharvest Freehold Trust. Vitalharvest Freehold Trust was a listed REIT providing investors with exposure to agriculture property
- in June 2020, Centuria Capital acquired Augusta Capital, one of New Zealand's largest listed real estate funds management companies, with investments in office and industrial property located primarily in Auckland. We have referred to the consideration for the funds management business, excluding the consideration attributable to property investments.

Selected multiple

Having regard to the recent transactions outlined above, we have applied an earnings multiple ranging from 8.0x to 8.5x, on a control basis for the following reasons:

- whilst BWPML, with FUM of \$3.6bn as at 31 December 2024, is the largest in FUM size (with the exception of Goodman NZ and Primewest Group), it is operationally less diversified than a number of the comparable transactions. BWPML's management rights are for a single fund (BWPT), which focuses on the large-format retail subsector within the retail property. In contrast, the comparable transactions identified include targets which:
 - manage multiple funds, generating revenues from a range of asset classes such as property, equities and/or other investment
 - manage a diversified portfolio of properties across the broader retail sector, as well as properties within the industrial and office sector

- have a much greater diversified tenant mix, reducing reliance and consequently, risk of cash flows. Wesfarmers account for 81.5% of BWPT's rental income, with the large majority of the large-format retail properties used as Bunnings sites.
- IP Generation and Fortius Funds Management manage a portfolio of small (often single-asset) funds securing capital from syndicates and for investment in office, retail, mixed-use and debt investments. We consider that BWPML should command a slightly higher multiple than the multiple implicit in the prices paid involving these managers
- some of the funds and fund managers focus on high growth asset classes or target investors who are viewed as being more valuable due to the stickiness of fees generated
- along with internalising management, the rationale for the Goodman NZ transaction included establishing a fund to invest in an industrial portfolio in Auckland to generate management fee revenue and diversify operations. The purchase price included NZ\$17.6m to settle performance fee obligations, acquire its interest in co-owned investment properties and net assets of Goodman Property Services (NZ) Limited. We would therefore expect this multiple, when adjusted for these factors, to be lower
- the Challenger Real Estate Platform FUM was heavily concentrated on managing the Challenger Life Company investment property assets, with the balance related to a small number of clients. The implied annual management fee, based on revenue of \$16.1m and FUM of \$3.4bn, was c. 0.47%, which is a slight discount to the management fee earned by BWPML in relation to the management rights of BWPT. It is therefore our opinion, that BWPML should command a higher multiple than implied by the Challenger Real Estate Platform transaction
- a number of the other transactions were undertaken during a different economic environment and, as such, we consider them less relevant. However, for completeness, we note the following:
 - the PMG funds FUM related to 5 small funds focussed on a variety of asset classes. These funds had experienced growth in FUM and associated deployment of capital resulting in high historical revenues. The management fees for the funds were between 0.4% to 0.5% of gross asset value, which is a slightly lower fee rate compared to the fees earned by BWPML in relation to BWPT. Due to these factors, in our opinion, the BWPML should command a higher multiple
 - APN Property Group manages two ASX-listed REITs; APN Industria REIT, which owns a portfolio of office and industrial properties, and APN Convenience Retail REIT, which owns a portfolio of service stations and convenience retail properties. APN Property Group has approximately \$3bn of FUM and over \$130m of co-investments in its managed vehicles and we would therefore expect it commands a higher multiple than BWPML
 - the Investec Australia Property Fund transaction involved the internalisation of the fund management rights of a single ASX listed fund which was of a similar size of BWPT and had a similar management fee arrangement to BWPML's (0.55% p.a. of enterprise value). However, the relative intensity of the effort involved in servicing rights in large-format retail (with a high weighting towards long WALE leases and a single tenant) is likely to be lower and therefore influence the relative attractiveness of such management rights relative to those associated with metro commercial property (which the Investec Australia Property Fund was more focussed on).

Conclusion on value

A summary of the application of the market multiples method is set out below:

Table 13: Summary of valuation outcome under the market multiples approach

	Unit	Low	High
Selected maintainable EBITDA	\$m	14.0	14.0
Selected maintainable EBITDA multiple	times	8.0	8.5
Market value of BWPML	\$m	112.0	119.0

Source: Deloitte Corporate Finance analysis

On the basis of the above, we have assessed the market value of BWPML to be in the range of \$110m to \$120m. The discussion of the other aspects of the Proposed Transaction is set out below whilst the overall summary of the value of the benefits is then set out in Section 7.6.

7.2.3 Cross-checks of our assessed valuation

Percentage of FUM approach

As a cross-check of our valuation of BWPML under the market multiples method, we have determined the implied percentage of FUM of our assessed market value of BWPML and compared this to the implied percentage of FUM observed for the comparable listed companies and transactions.

The implied percentage of FUM of our assessed market value of BWPML ranges from 3.0% to 3.3%, as calculated in the table below:

Table 14: Implied percentage of FUM

	Unit	Low	High
Assessed value of BWPML	\$m	110.0	120.0
FUM	\$m	3,641	3,641
Value as a % of FUM	%	3.0%	3.3%

Source: Deloitte Corporate Finance analysis

We note that this the implied percentage of FUM is lower than the implied consideration as a percentage of FUM in respect of the comparable transactions (refer to Table 12).

A key driver of the percentage of FUM metric is the earnings generated from the underlying FUM. Companies that have a lower percentage of operating earnings per FUM (i.e. generate lower earnings from FUM) generally have a lower enterprise value / FUM multiple. In this regard, compared to the recent transactions (refer to Appendix 2), BWPML's EBITDA per FUM percentage of 0.38%⁸ is lower than the average and median of the comparable transactions (given minimal development activities) which supports BWPML having a lower enterprise value / FUM multiple compared to those comparable transactions.

Capitalisation of earnings method

We have also used the capitalisation of earnings method as a cross-check of our valuation of BWPML. In using it as a cross-check, we determined the internal rate of return (IRR) implied by our valuation, and then assessed the reasonableness of this IRR having regard to the discount rates applicable for comparable funds management businesses.

As we were not provided with forecast cash flows beyond FY26, we prepared a high level, capitalisation of earnings calculation using the Gordon Growth method⁹ and the following assumptions:

- maintainable pre-tax earnings for FY26 of \$14.0m, as adopted in our valuation
- 30% company tax rate
- no adjustment for capital expenditure, depreciation and working capital on the basis that historical evidence and our own experience suggests these are likely to be insignificant
- earnings growth of 2.59% into perpetuity based on compound annual growth rate (CAGR) of the five-year like-for-like rental revenue forecast.

⁸ Selected maintainable EBITDA of \$14.0m over FUM of \$3,641

⁹ Such method is also referred to as the discounted cash flow method.

These capitalised cash flows imply an internal rate of return of 11.12% based on the mid-point of our valuation range for BWPTML. This is also often described as a discount rate. Such a discount rate is not unreasonable based on our experience of the cost of capital that is typically ascribed to a fund management business that generates a significant portion of fee income from base management fees derived from the value of completed and well tenanted properties.

We consider this high-level capitalisation of earnings analysis to be supportive of our valuation range determined under the primary market multiples method.

7.3 Proposed Lease Reset and Extension Package

As outlined in Sections 2.1 and 5.1, the Proposed Lease Reset and Extension Package will vary certain terms of the Bunnings Leases including increasing the Bunnings Leases' 'term certain' lengths. As a result of the Proposed Lease Reset and Extension Package, the Directors have estimated a \$49.9m valuation uplift of the total value of BWPT's property portfolio. The rationale and quantum of the valuation uplift has been validated by JLL.

Whilst we consider the valuation uplift to be a benefit of the Proposed Transaction, BWPT's unit price of \$3.28 as at 31 December 2024 implies an 16.3% discount to BWPT's net tangible asset value per security of \$3.92 as at 31 December 2024 and a discount of 8.7% when calculated by reference to its unit price of \$3.58 as at 20 June 2025. This indicates that the Directors' valuation uplift of \$49.9m may not result in the full benefit being reflected in the security price post-Proposed Transaction. To reflect this in our assessment, we have discounted the valuation uplift by 10% at the bottom of end of our range and adopted the full valuation uplift for the top end of our range.

On this basis, our adopted value range of the Proposed Lease Reset and Extension Pack ranges from \$44.9m to \$49.9m. This is reflected in the overall summary of the value of the benefits is then set out in Section 7.6.

7.4 Proposed Capital Expenditure Commitments

As outlined in Sections 2.1, the Proposed Capital Expenditure Commitments have two components; a commitment to expand five Bunnings sites at an estimated cost of \$56m, and a commitment from BWPT and Bunnings to each undertake \$15m of expenditure on improvements at a number of older Bunnings sites without an increase in the rent payable. The capital expenditure is expected to be incurred over the next three-to-five years.

The capital expenditure commitment of \$56m to expand five Bunnings sites will be rentalised at a funding rate which is broadly aligned with the capitalisation rate used to value the subject properties. We therefore consider it to be broadly value neutral in the context of the assessment of the market value of the benefits of the Proposed Transaction.

The capital expenditure commitment of \$15m from each of BWPT and Bunnings to upgrade certain Bunnings sites will not result in an increase in rent received. BWPT's share of this commitment which BWPT will be obliged to incur without a rental uplift could therefore be considered a reduction in net asset value of the trust. To reflect this, we calculated the present value of the \$15m expenditure over a five-year period which is \$13.2m.

This is reflected in the overall summary of the value of the benefits is then set out in Section 7.6.

7.5 Transaction costs

BWPT will incur transaction costs of \$5.9m associated with the Proposed Transaction. Given the cash outflow of these payments will result in a reduction in the benefits of the Proposed Transaction accruing to BWPT unitholders, we have considered the transaction costs in the overall summary of the value of the benefits is then set out in Section 7.6.

7.6 Conclusion as to the valuation of the benefits of the Proposed Transaction

This overall assessment of the value of the benefits of the Proposed Transaction is set out in the table below:

Table 15: Assessment of the value of benefits of the Proposed Transaction

\$m	Low	High
Valuation of BWPML	110.0	120.0
Valuation of the Proposed Lease Reset and Extension Package	44.9	49.9
Valuation of the Proposed Capital Expenditure Commitments	(13.2)	(13.2)
Transaction costs	(5.9)	(5.9)
Market value of the benefits of the Proposed Transaction	135.9	150.8

Source: Deloitte Corporate Finance analysis

8 Opinion

8.1 Assessment of fairness

We have considered whether or not the Proposed Transaction is fair having regard to our assessed market value of the benefits BWPT is receiving as a result of the Proposed Transaction as compared to the Consideration being paid.

This comparison is set out in the table below:

Table 16: Assessment of fairness

\$m	Low	High
Market value of the benefits of the Proposed Transaction	135.9	150.8
Valuation of the Consideration		
Cash component	100.0	100.0
Unit issue component	38.9	42.6
Consideration	138.9	142.6

Source: Meeting Booklet, Deloitte Corporate Finance analysis

In valuing the Consideration, the bottom end of the range has been valued based on the BWPT security price (of \$3.58 as at 20 June 2025) whilst the top end of the range has been valued based on last reported net tangible assets.

Given the range of valuation of the Consideration falls within our assessed market value range of benefits being provided under the Proposed Transaction, the Proposed Transaction is fair. In this regard, we note that the mid-point of the market value of the benefits of the Proposed Transaction is greater than the mid-point of the value of the Consideration.

Whilst, we have made a deduction for BWPT's portion of the \$15m of Proposed Capital Expenditure Commitments which are not being rentalised, we note that Bunnings is also committing to similar expenditure on BWPT properties. The intention of this expenditure is to extend the useful life of the subject properties and as such it could result in an increase in the value of the properties. If Non-Associated Unitholders were of this view, then it would only seek to increase the market value of the benefits under the Proposed Transaction and consequently suggest that the Proposed Transaction is more fair.

8.2 Assessment of reasonableness

As the Proposed Transaction is fair, and in accordance with RG 111, it is reasonable so far as Non-Associated Unitholders as concerned.

We also note the following factors that Non-Associated Unitholders may consider relevant to the reasonableness of the Proposed Transaction.

The Proposed Transaction allows closer alignment of interests of BWPT and its manager (BWPML)

The Proposed Internalisation will provide greater alignment between BWPT and its manager (BWPML), with BWPT's management and board being directly accountable to Unitholders, and BWPT having the opportunity to more closely influence its strategy as well as directly control key performance indicators and incentive arrangements for personnel who manage the Fund.

Further, approval of the Proposed Transaction will remove a potential perceived conflict of interest associated with the current arrangement which involves BWPML acting as the RE of BWPT whilst being a wholly owned subsidiary of Wesfarmers.

This Proposed Internalisation is consistent with the shift that has occurred since the mid-2000s when many Australian REITs internalised their management capability in order to overcome perceived conflicts as well as enhance the alignment of interests between boards, management and investors and improve corporate governance.

The Proposed Transaction will result in a decline in net tangible assets per unit but be accretive on a distribution per unit basis

Should the Proposed Transaction proceed, BWPT's net tangible assets per security is expected to decline by 3.3% from \$3.92 per security to \$3.79 per security due to the acquisition of intangible assets associated with BWPML. However, this does not capture the savings arising from internalising the management which is captured through an increase in operating earnings (i.e. distribution per security). The Proposed Transaction is expected to be accretive on a per security basis (2.3% increase)¹⁰.

The Proposed Transaction allows continuity of senior management who are familiar with BWPT's portfolio

There will be continuity in the board of directors of BWPML. The Managing Director, Mark Scatena, has agreed to execute a new employment contract with an entity that will be part of BWP Group and continue to manage the day-to-day operations and assets of BWPT. A number of employees of BWPML have been involved in the acquisition and the ongoing asset management of the properties held by BWPT.

The Proposed Transaction will result in an increase in gearing

The Consideration is expected to be largely funded by debt and therefore gearing will increase from 20.6% to 23.0%. The increase in gearing is not significant and is still within BWPT's target gearing range.

The Proposed Transaction can be expected to result in lower funding costs

Given the increase in WALE of BWPT's investment properties (from 4.4 years to 8.0 years) as a result of the Proposed Transaction, it can be expected that BWP Group should be able to attract debt funding at comparatively lower costs.

The Proposed Transaction will create a capital expenditure obligation

The Proposed Transaction will result in BWP Group committing to spend capital expenditure of \$71m on various properties over the next three-to-five years. Of this commitment, \$56m will result in an increase in rent and consequently result in an increase in the value of the properties. Bunnings has also agreed to spend \$15m and, given the intention of this expenditure is to extend the useful life of the relevant properties, this may result in an increase in value of the properties in the medium term.

The Proposed Transaction contains a number of other aspects

There are a number of aspects to the Proposed Transaction which are set out in the Meeting Booklet that are not considered significant. These include the terms of the transitional services to be provided by Wesfarmers to BWPT following implementation of the Proposed Transaction. These terms are detailed in a co-operation and services agreement and further information is provided in Section 10 of the Prospectus.

BWPT will incur costs associated with the Proposed Transaction

BWPT will incur costs of \$5.9m associated with the Proposed Transaction, of which \$3.3m will be incurred whether or not the Proposed Transaction is implemented.

¹⁰ As per Section 7 of the Prospectus, the impact of the Proposed Transaction on distribution forecast for the year ending 30 June 2025 is expected to be 2.0% accretive. Pro forma for a full-year basis, the accretion to distributions would have been 2.3%.

If the Proposed Transaction is approved, the BWP Group will have a more complex structure which could subject it to increased administration and compliance costs.

The availability of alternatives to the Proposed Transaction is low

Assuming BWPT remains listed, the management arrangements can be terminated by way of an ordinary resolution of Unitholders to remove the RE, though this may cause disruption to BWPT and may not allow for an orderly transition of the knowledge and intellectual property as it relates to BWPT, which is held by BWPML. If termination were to occur, the incoming RE would need to either find alternative employees suitably skilled in property management, and with sufficient tenant relationships to be able to effectively run BWPT. A removal of the RE like this may also harm BWPT's relationship with its key tenant, Bunnings as Wesfarmers currently owns both Bunnings and the RE.

Consequently, there are risks to BWP associated with this alternative, which may not be value accretive for BWP unitholders over the long term.

Implications if the Proposed Transaction does not proceed

If the Proposed Transaction does not proceed, BWPT will have incurred costs of \$3.3m. The trust's management will continue to be undertaken by Wesfarmers and the benefits of the Proposed Transaction, including the substantial increase in WALE of the portfolio, will not be realised.

In addition, Wesfarmers could seek an alternative exit, such as disposing the rights to manage BWPT to a third party which would not require the approval of Non-Executive External Directors or Unitholders.

The Proposed Future Related Party Dealings

We also note the following matters in respect of the Future Related Party Dealings which we have considered in forming a view on whether the Proposed Transaction is fair and reasonable:

- the Proposed Internalisation will result in executives and directors who are currently employed by Wesfarmers, but responsible for the management and oversight of BWPT, becoming employees and directors employed by BWP Group. As such the perceived conflict of interest that has historically existed with the external management structure will be removed. This will mean that executives and directors of BWP Group will be negotiating commercial arrangements with Wesfarmers (including Bunnings) without this conflict of interest
- the Related Party Governance Framework reduces costs and inefficiencies that would otherwise exist with seeking securityholder approval. It also reduces commercial sensitivities regarding disclosure of information which could erode value for BWP Group securityholders
- the design of the Related Party Governance Framework is aligned with the type of arrangements and transactions BWP Group is likely to have with Bunnings
- the overarching principle that governs the Related Party Governance Framework is that BWP Group can only enter into a Future Related Party Dealing where BWP Group believes it is in the best interests of Non-Associated BWP Group Securityholders to do so
- the additional requirements that are in place should ensure that the Future Related Party Dealings are on terms that would be reasonable in the circumstances if BWP Group and Bunnings were dealing at arm's length (or less favourable to Bunnings) and that the Future Related Party Dealings are substantially on the same terms as an equivalent arrangement with a third party who is not a related party (or on terms more favourable to BWP Group).



8.3 Opinion with respect to the Proposed Transaction

In our opinion, the Proposed Transaction is fair and reasonable to, and in the best interests of the Non-Associated Unitholders.

An individual unitholder's decision in relation to the Proposed Transaction may be influenced by their particular circumstances. If in doubt the unitholder should consult an independent adviser, who should have regard to their individual circumstances.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Tapan Parekh".

Tapan Parekh

Authorised Representative Number: 461009

Deloitte Corporate Finance Pty Limited (AFSL 241457)

Appendix 1: Valuation methodologies

Common market practice and the valuation methodologies which are applicable to corporate entities and businesses can be categorised under one of the following three approaches.

Market approach

The market approach involves the determination of fair value having regard to pricing and other metrics implied by market trading or transactions of comparable assets. Such methods commonly include:

- earnings multiples
- analysis of an entity's recent share trading history
- industry specific methods.

The earnings multiple method estimates fair value as the product of an entity's earnings and an appropriate earnings multiple. An appropriate earnings multiple is derived from market trading and/or transactions involving comparable companies. The earnings multiple method is appropriate where the entity's earnings are relatively stable.

The most recent share trading history provides evidence of the fair value of the shares in an entity where they are publicly traded in an informed and liquid market.

Industry specific methods estimate market value using rules of thumb for a particular industry. Generally, rules of thumb provide less persuasive evidence of the market value of an entity than other valuation methods because they may not account for entity specific factors.

Income approach

The income approach involves the determination of fair value based on the present value of future amounts. Discounted cash flow methods estimate fair value by discounting an entity's future cash flows using an appropriate cost of capital to reflect the risks of the cash flows, to a net present value. These methods are appropriate where a projection of future cash flows can be made with a reasonable degree of confidence. Discounted cash flow methods are commonly used to value early-stage companies or projects with a finite life.

Cost approach

The cost approach involves the determination of fair value based on the cost of replacement. Such methods estimate the fair value of an entity's shares based on the realisable value of its identifiable net assets, and typically comprise:

- orderly realisation of assets method
- liquidation of assets method
- net assets on a going concern basis.

The orderly realisation of assets method estimates fair value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not necessarily be appropriate. The net assets on a going concern basis method estimates the market values of the net assets of an entity but does not take account of realisation costs.



These asset-based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they ignore the value of intangible assets such as customer lists, management, supply arrangements and goodwill. Asset based methods are appropriate when companies are not profitable, a significant proportion of an entity's assets are liquid, or for asset holding companies.

Appendix 2: Comparable transactions

The table below sets out our selected comparable transactions. We have attempted to identify transactions in entities whose primary operations are in the provision of funds management services to property funds.

Table 17: Comparable transactions

Date ¹	Target	Acquirer	Currency	Consideration paid (\$m)	FUM (\$bn)	Implied consideration as a % of FUM	Implied revenue multiple	Implied EBITDA multiple	EBITDA as a % of FUM
May-2025	IP Generation	MA Financial Group	AUD	90.4	2.0	4.5%	N/A	7.9x	0.6%
Feb-2024	Goodman NZ funds management	Goodman NZ	NZD	290.0	4.5	6.4%	N/A	13.2x ²	0.5%
Apr-2023	Challenger Real Estate funds management	Elanor Investors Group	AUD	37.7	3.4	1.1%	2.3x	3.1x	0.4%
Aug-2022	Fortius Funds Management	Growthpoint Properties	AUD	57.5	1.9	3.0%	6.1x ³	6.7x ³	0.5%
Mar-2022	Aventus Holdings	AHL	AUD	146.7	2.6	5.8%	8.4x	N/A	NM
Jan-2022	PMG Funds	N/A	NZD	44.0	0.9	4.9%	2.5x	7.1x	0.7%
May-2021	APN Property Group Limited	Dexus	AUD	136.6	2.9	4.7%	7.3x	15.2x	0.3%
Apr-2021	Primewest Group Limited	Centuria Capital Group	AUD	417.2	5.0	8.3%	13.0x	19.0x	0.4%
Mar-2021	Precinct Properties New Zealand Limited	AMP Limited	NZD	215.0	3.5	6.2%	7.1x	14.7x ²	0.4%
Oct-2020	Investec Australia Property Fund	IAPF	AUD	40.0	1.1	3.7%	3.1x	9.1x	0.4%
Jun-2020	goFARM Australia Pty Ltd	Primewest	AUD	10.5	0.3	3.4%	11.3x	n/a	NM
Jun-2020	Augusta Capital Limited	Centuria New Zealand Holdings Limited	AUD	82.0	1.8	4.6%	8.6x	NM	NM
Average						4.7%	7.0x	10.7x	0.5%
Median						4.6%	7.2x	9.1x	0.4%

Notes:

1. Announcement date
 2. EBITDA based on normalised savings expected to be realised
 3. Revenue multiple presented on a current basis, whilst EBITDA multiple presented on a historical basis due to availability of information
- NM = not meaningful
N/A = not available
Source: Annual reports, ASX, NZX and company announcements, S&P Capital IQ, Deloitte Corporate Finance analysis

BWP Trust - Independent expert's report and Financial Services Guide

Appendix 3: Context to the report

The report has been prepared at the request of the Non-Executive External Directors of BWPML in its capacity as RE of BWPT and is to be included in the Explanatory Memorandum to be given to Unitholders for approval of the Proposed Transaction. Accordingly, it has been prepared only for the benefit of the Non-Executive External Directors and Non-Associated Unitholders in their assessment of the Proposed Transaction and should not be used for any other purpose. Neither Deloitte Corporate Finance, Deloitte Touche Tohmatsu, nor any member or employee thereof, undertakes responsibility to any person, other than Non-Associated Unitholders, in respect of this report, including any errors or omissions however caused.

The report represents solely the expression by Deloitte Corporate Finance of its opinion as to whether the Proposed Transaction is fair and reasonable, and in the best interests, so far as Non-Associated Unitholders as a whole are considered.

This engagement has been conducted in accordance with professional standard APES 225 Valuation Services issued by the Accounting Professional and Ethical Standards Board Limited.

Individual circumstances

We have evaluated the Proposed Transaction for Non-Associated Unitholders as a whole and have not considered the effect of the Proposed Transaction on the particular circumstances of individual investors. Due to their particular circumstances, individual investors may place a different emphasis on various aspects of the Proposed Transaction from the one adopted in this report. Accordingly, individuals may reach different conclusions to ours on whether the Proposed Transaction is fair and reasonable so far as Non-Associated Unitholders are considered. If in doubt investors should consult an independent adviser, who should have regard to their individual circumstances.

Limitations

Our opinion is based on the prevailing economic, market and other conditions as at the date of this report. Such conditions can change significantly over relatively short periods of time.

Statements and opinions contained in this report are given in good faith but, in the preparation of this report, Deloitte Corporate Finance has relied upon the completeness of the information provided by BWPML and its officers, employees, agents or advisors (as set out below in 'Sources of Information'). Deloitte Corporate Finance does not imply, nor should it be construed, that it has carried out any form of audit or verification on the information and records supplied to us. Drafts of our report were issued to executives of BWPML and the Non-Executive External Directors of BWPML for confirmation of factual accuracy.

In recognition that Deloitte Corporate Finance may rely on information provided by BWPML and its officers, employees, agents or advisors, BWPML has agreed that it will not make any claim against Deloitte Corporate Finance to recover any loss or damage which BWPML may suffer as a result of that reliance and that it will indemnify Deloitte Corporate Finance against any liability that arises out of either Deloitte Corporate Finance's reliance on the information provided by BWPML and its officers, employees, agents or advisors or the failure by BWPML and its officers, employees, agents or advisors to provide Deloitte Corporate Finance with any material information relating to the Proposed Transaction.

To the extent that this report refers to prospective financial information we have considered the prospective financial information and the basis of the underlying assumptions. The procedures involved in Deloitte Corporate Finance's consideration of this information consisted of enquiries of BWPML personnel and analytical procedures applied to the financial data. These procedures and enquiries did not include verification work nor constitute an audit or a review engagement in accordance with standards issued by the Auditing and Assurance Standards Board or equivalent body and therefore the information used in undertaking our work may not be entirely reliable.

Based on these procedures and enquiries, Deloitte Corporate Finance considers that there are reasonable grounds to believe that the prospective financial information in respect of BWPT and BWPML included in this report has been prepared on a reasonable basis in accordance with ASIC Regulatory Guide 111. In relation to the prospective financial information, actual results may be different from the prospective financial information of BWPT and BWPML referred to in this report since anticipated events frequently do not occur as expected and the variation may be material. The achievement of the prospective financial information is dependent on the outcome of the assumptions. Accordingly, we express no opinion as to whether the prospective financial information will be achieved.

Qualifications

Deloitte Corporate Finance holds the appropriate Australian Financial Services licence to issue this report and is owned by the Australian Partnership Deloitte Touche Tohmatsu. The employee of Deloitte Corporate Finance principally involved in the preparation of this report was Tapan Parekh, Authorised Representative, B.Bus, M.Comm, CA, F.Fin. Tapan has many years' experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports.

Consent to being named in disclosure document

Deloitte Corporate Finance Pty Limited (ACN 003 833 127) of Quay Quarter Tower, Level 46, 50 Bridge Street, Sydney NSW 2000 acknowledges that:

- BWPML proposes to issue a disclosure document in respect of the Proposed Transaction (the Explanatory Memorandum)
- the Explanatory Memorandum will be issued in hard copy and be available in electronic format
- it has previously received a copy of the draft Explanatory Memorandum for review
- it is named in the Explanatory Memorandum as the 'independent expert' and the Explanatory Memorandum includes its independent expert's report in Section 4.

On the basis that the Explanatory Memorandum is consistent in all material respects with the draft Explanatory Memorandum received, Deloitte Corporate Finance Pty Limited consents to it being named in the Explanatory Memorandum in the form and context in which it is so named, to the inclusion of its independent expert's report in Section 4 of the Explanatory Memorandum and to all references to its independent expert's report in the form and context in which they are included, whether the Explanatory Memorandum is issued in hard copy or electronic format or both.

Deloitte Corporate Finance Pty Limited has not authorised or caused the issue of the Explanatory Memorandum and takes no responsibility for any part of the Explanatory Memorandum, other than any references to its name and the independent expert's report as included in Section 4.

Sources of information

In preparing this report we have had access to the following principal sources of information:

- draft copies of the Meeting Booklet, including the Prospectus and the Explanatory Memorandum
- term sheet in respect of the Proposed Transaction dated 21 May 2025
- BWPT prospectus dated 17 July 1998
- BWPT constitution consolidated as at 4 February 2020
- audited financial statements of BWPML
- FY25 and FY26 budgets and management's five-year forecast lease model
- monthly financial performance of BWPML for the period July 2024 to April 2025



- Board reports for BWPT for the past 12 months
- various documents detailing current lease terms of BWPT investment properties
- pro-forma financial performance and position and the underlying model prepared for the purposes of the Proposed Transaction
- publicly available information on comparable companies and market transactions published by ASIC, Thomson Research, S&P Global and Mergermarket
- other publicly available information, media releases and broker reports on BWPT and the property sector.

In addition, we had discussions with members of the Non-Executive External Directors (and their advisors), and executives of BWPML in relation to the above information, the current operations and prospects of BWPML, BWPT, and the Proposed Transaction.



About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

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About Deloitte Australia

In Australia, the member firm is the Australian partnership of Deloitte Touche Tohmatsu. As one of Australia's leading professional services firms, Deloitte Touche Tohmatsu and its affiliates provide audit, tax, consulting, and financial advisory services through approximately 6,000 people across the country. Focused on the creation of value and growth, and known as an employer of choice for innovative human resources programs, we are dedicated to helping our clients and our people excel. For more information, please visit Deloitte's web site at www.deloitte.com.au.

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Annexure 1 – Limited Assurance Investigating Accountant's Report

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KPMG Financial Advisory Services (Australia) Pty Ltd
Australian Financial Services Licence No. 246901
Level 8
235 St Georges Terrace
Perth WA 6000

GPO Box A29
Perth WA 6837
Australia

ABN: 43 007 363 215
Telephone: +61 8 9263 7171
Facsimile: +61 8 9263 7129
www.kpmg.com.au

The Board of Directors
BWP Property Group Limited
Level 14, Brookfield Place Tower 2
123 St Georges Terrace
Perth WA 6000

Our ref BWPPGL25-IAR
FNL 0627-PSL

27 June 2025

Dear Directors

Limited Assurance Investigating Accountant's Report and Financial Services Guide

Investigating Accountant's Report

1

Introduction

KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Transaction Services is a division) ("KPMG Transaction Services") has been engaged by BWP Property Group Limited ("BWPPGL" or the "Company") to prepare this report for inclusion in the prospectus to be dated on or about 27 June 2025 ("Prospectus"), and to be issued by BWPPGL, in connection with the proposed in specie capital distribution of shares in the Company to all existing eligible securityholders of the BWP Trust as part of the internalisation of all its management functions, including its investment management, property management and development management functions ("Transaction").

Expressions defined in the Prospectus have the same meaning in this report.

This Investigating Accountant's Report should be read in conjunction with the KPMG Transaction Services Financial Services Guide included in the Prospectus.

2

Scope

You have requested KPMG Transaction Services to perform a limited assurance engagement in relation to the pro forma historical and forecast financial information described below and disclosed in the Prospectus.

The pro forma historical and forecast financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside of Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

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2.1 Pro Forma Historical Statement of Financial Position

You have requested KPMG Transaction Services to perform limited assurance procedures in relation to the Pro Forma Historical Statement of Financial Position of BWP Trust included in the Prospectus.

The Pro Forma Historical Statement of Financial Position has been derived from the historical financial information of BWP Trust, after adjusting for the effects of pro forma adjustments described in the notes to section 7.5 of the Prospectus. The pro forma financial information consists of BWP Trust's pro forma historical Statement of Financial Position as at 31 December 2024 as set out in section 7.5 of the Prospectus issued by BWPPGL (the "Pro Forma Historical Statement of Financial Position"). The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 7.2 of the Prospectus. Due to its nature, the Pro Forma Historical Statement of Financial Position does not represent BWP Trust's or the Company's actual or prospective financial position.

The Pro Forma Historical Statement of Financial Position has been compiled by BWPPGL to illustrate the impact of the event(s) or transaction(s) described in the notes to section 7.5 on BWP Trust's financial position as at 31 December 2024. As part of this process, information about BWP Trust's financial position has been extracted by BWPPGL from BWP Trust's interim financial statements for the six months ended 31 December 2024.

The interim financial statements of BWP Trust for the six months ended 31 December 2024 were reviewed by KPMG in accordance with Australian Auditing Standards. The review opinion issued to the members of BWP Trust relating to those interim financial statements was unqualified.

For the purposes of preparing this report we have performed limited assurance procedures in relation to Pro Forma Historical Statement of Financial Position in order to state whether, on the basis of the procedures described, anything comes to our attention that would cause us to believe that the Pro Forma Historical Statement of Financial Position is not prepared or presented fairly, in all material respects, by the directors in accordance with the stated basis of preparation as set out in section 7.2 and the notes to section 7.5 of the Prospectus.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, an audit. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed an audit. Accordingly, we do not express an audit opinion about whether the Pro Forma Historical Statement of Financial Position is



prepared, in all material respects, by the directors in accordance with the stated basis of preparation.

2.2 Forecast Financial Information and directors' best-estimate assumptions

You have requested KPMG Transaction Services to perform limited assurance procedures in relation to the forecast Statement of Financial Performance of BWP Trust for the year ending 30 June 2025 and for BWPPGL for the period ending 30 June 2026, as described in section 7.2 of the Prospectus (the "Forecast Financial Information"). The directors' best-estimate assumptions underlying the Forecast Financial Information are described in section 7.2 of the Prospectus. As stated in section 7.2 of the Prospectus, the basis of preparation of the Forecast Financial Information is the recognition and measurement principles contained in Australian Accounting Standards and BWPPGL's accounting policies.

We have performed limited assurance procedures in relation to the Forecast Financial Information, set out in section 7.3 of the Prospectus, and the directors' best-estimate assumptions underlying it in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that:

- the directors' best-estimate assumptions do not provide reasonable grounds for the Forecast Financial Information;
- in all material respects the Forecast Financial Information is not:
 - prepared on the basis of the directors' best-estimate assumptions as described in the Prospectus; and
 - presented fairly in accordance with the recognition and measurement principles contained in Australian Accounting Standards and BWPPGL's accounting policies;
- the Forecast Financial Information itself is unreasonable.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, an audit. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed an audit. Accordingly, we do not express an audit opinion.



3 **Directors' responsibilities**

The directors of BWPPGL are responsible for the preparation of:

- the Pro Forma Historical Statement of Financial Position, including the selection and determination of the pro forma transactions and/or adjustments made to the historical financial information and included in the Pro Forma Historical Information;
- the Forecast Financial Information, including the directors' best-estimate assumptions on which the Forecast Financial Information is based and the sensitivity of the Forecast Financial Information to changes in key assumptions.

The directors' responsibility includes establishing and maintaining such internal controls as the directors determine are necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

4 **Conclusions**

4.1 ***Review statement on the Pro Forma Historical Statement of Financial Position***

Based on our procedures, which are not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Statement of Financial Position, as set out in section 7.5 of the Prospectus, comprising the pro forma historical balance sheet of BWP Trust as at 31 December 2024 is not prepared or presented fairly, in all material respects, on the basis of the pro forma transactions and/or adjustments described in the notes to section 7.5 of the Prospectus, and in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, and BWPPGL's accounting policies.

4.2 ***Forecast Financial Information and the directors' best-estimate assumptions***

Based on our procedures, which are not an audit, nothing has come to our attention which causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the Forecast Financial Information for the years ending 30 June 2025 and 2026 do not provide reasonable grounds for the Forecast Financial Information; and
- in all material respects, the Forecast Financial Information:
 - is not prepared on the basis of the directors' best-estimate assumptions as described in section 7.3 of the Prospectus; and
 - is not presented fairly in accordance with the recognition and measurement principles contained in Australian Accounting Standards, and BWPPGL's accounting policies; and
- the Forecast Financial Information itself is unreasonable.



The Forecast Financial Information has been prepared by BWP Trust and BWPPGL management and adopted and disclosed by the directors in order to provide prospective investors with a guide to the potential financial performance of BWP Trust for the year ending 30 June 2025 and BWPPGL for the year ending 30 June 2026.

There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation may be material. The directors' best-estimate assumptions on which the Forecast Financial Information is based relate to future event(s) and/or transaction(s) that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of BWP Trust and BWPPGL. Evidence may be available to support the directors' best-estimate assumptions on which the Forecast Financial Information is based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the directors' best-estimate assumptions. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in BWPPGL, which are detailed in the Prospectus, and the inherent uncertainty relating to the Forecast Financial Information. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in sections 5 and 7.8 of the Prospectus. The sensitivity analysis described in section 7.8 of the Prospectus demonstrates the impact on the Forecast Financial Information of changes in key best-estimate assumptions. We express no opinion as to whether the Forecast Financial Information will be achieved.

We have assumed, and relied on representations from certain members of management of BWP Trust and BWPPGL, that all material information concerning the prospects and proposed operations of BWP Trust and BWPPGL has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

5 Independence

KPMG Transaction Services does not have any interest in the outcome of the proposed Transaction, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received. KPMG is the auditor of BWP Trust and from time to time, KPMG also provides BWP Trust with certain other professional services for which normal professional fees are received.



6 General advice warning

This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

7 Design and Distribution Obligations ("DDO")

KPMG has made reasonable enquiries of BWPPGL as to whether the underlying financial product pursuant to the Transaction is captured by Design and Distribution Obligations ("DDO") regulations. Where a Target Market Determination ("TMD") is required KPMG has reviewed the TMD to ensure the content of the IAR is consistent with the TMD.

8 Restriction on use

Without modifying our conclusions, we draw attention to section 7 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

KPMG Transaction Services has consented to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it is so included, but has not authorised the issue of the Prospectus. Accordingly, KPMG Transaction Services makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

Yours faithfully

Matthew Kelly
Authorised Representative



KPMG Financial Advisory Services (Australia) Pty Ltd

ABN 43 007 363 215

Australian Financial Services Licence No. 246901

Financial Services Guide

Dated 27 June 2025

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by **KPMG Financial Advisory Services (Australia) Pty Ltd ABN 43 007 363 215 (KPMG FAS)**, Australian Financial Services Licence Number 246901 (of which KPMG Transaction Services is a division) (**KPMG Transaction Services**).

Matthew Kelly as an authorised representative of KPMG Transaction Services, authorised representative number 404260 (**Authorised Representative**).

This FSG includes information about:

- KPMG FAS and its Authorised Representative and how they can be contacted;
- The services KPMG FAS and its Authorised Representative are authorised to provide;
- How KPMG FAS and its Authorised Representative are paid;
- Any relevant associations or relationships of KPMG FAS and its Authorised Representative;
- How complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- The compensation arrangements that KPMG FAS has in place.

The distribution of this FSG by the Authorised Representative has been authorised by KPMG FAS.

This FSG forms part of an Investigating Accountant's Report (**Report**) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (**PDS**). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits, and costs of acquiring the particular financial product.

Financial services that KPMG FAS and the Authorised Representative are authorised to provide

KPMG FAS holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for the following classes of financial products:

- deposit and non-cash payment products;
- derivatives;
- foreign exchange contracts;
- debentures, stocks or bonds issued or proposed to be issued by a government;
- interests in managed investments schemes including investor directed portfolio services;
- securities;
- superannuation;
- carbon units;
- Australian carbon credit units; and
- eligible international emissions units,

to retail and wholesale clients.

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KPMG FAS provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products. The Authorised Representative is authorised by KPMG FAS to provide financial product advice on KPMG FAS' behalf.

KPMG FAS and the Authorised Representative's responsibility to you

KPMG FAS has been engaged by BWP Property Group Limited (**Client**) to provide general financial product advice in the form of a Report to be included in the prospectus (**Document**) prepared by the Client in relation to the in specie capital distribution of shares in the Company to all existing eligible securityholders of the BWP Trust as part of the internalisation of all its management functions (**Transaction**).

You have not engaged KPMG FAS or the Authorised Representative directly but have received a copy of the Report because you have been provided with a copy of the Document. Neither KPMG FAS nor the Authorised Representative are acting for any person other than the Client.

KPMG FAS and the Authorised Representative are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice Warning

As KPMG FAS has been engaged by the Client, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Document before making any decision in relation to the Transaction.

Fees KPMG FAS may receive, and remuneration or other benefits received by our representatives

KPMG FAS charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay KPMG FAS \$325,000 for preparing the Report. KPMG FAS and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of the Report.

KPMG FAS officers and representatives (including the Authorised Representative) receive a salary or a partnership distribution from KPMG's Australian professional advisory, tax and accounting practice (the KPMG Partnership). KPMG FAS' representatives (including the Authorised Representative) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.

Further details may be provided on request.

Referrals

Neither KPMG FAS nor the Authorised Representative pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures KPMG FAS operates as part of the KPMG Australian firm. KPMG FAS' directors and Authorised Representatives may be partners in the KPMG Partnership. The Authorised Representative is a partner in the KPMG Partnership. The financial product advice in the Report is provided by KPMG FAS and the Authorised Representative and not by the KPMG Partnership.

From time to time KPMG FAS, the KPMG Partnership and related entities (**KPMG entities**) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the Transaction.

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Complaints resolution

Internal complaints resolution process

If you have a complaint, please let KPMG FAS or the Authorised Representative know. Complaints can be sent in writing to The Complaints Officer, KPMG, GPO Box 2291U, Melbourne, VIC 3000 or via email (AU-FM-AFSL-COMPLAINT@kpmg.com.au). If you have difficulty in putting your complaint in writing, please call (03) 9288 5555 where you will be directed to the Complaints Officer who will assist you in documenting your complaint.

We will acknowledge receipt of your complaint, in writing, within 1 business day or as soon as practicable and will investigate your complaint fairly and in a timely manner.

Following an investigation of your complaint, you will receive a written response within 30 calendar days. If KPMG FAS is unable to resolve your complaint within 30 calendar days, we will let you know the reasons for the delay and advise you of your right to refer the matter to the Australian Financial Complaints Authority (**AFCA**).

External complaints resolution process

If KPMG FAS cannot resolve your complaint to your satisfaction within 30 calendar days, you can refer the matter to AFCA. AFCA is an independent body that has been established to provide free and impartial assistance to consumers to help in resolving complaints relating to the financial services industry. KPMG FAS is a member of AFCA (member no 11690).

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly at:

Address: Australian Financial Complaints Authority Limited, GPO Box 3, Melbourne Victoria 3001
 Telephone: 1800 931 678
 Email: info@afca.org.au

The Australian Securities and Investments Commission also has a free call Customer Contact Centre info-line on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

KPMG FAS has compensation arrangements for loss or damage in accordance with section 912B of the *Corporations Act 2001(Cth)*. KPMG FAS holds professional indemnity insurance which, subject to its terms, provides cover for work performed by KPMG FAS including current and former representatives of KPMG FAS.

Contact details

You may contact KPMG FAS or the Authorised Representative using the below contact details:

KPMG Transaction Services (a division of KPMG Financial Advisory Services (Australia) Pty Ltd)
 Level 38, International Towers Three
 300 Barangaroo Avenue
 Sydney NSW 2000

PO Box H67
 Australia Square
 NSW 1213
 Telephone: (02) 9335 7621
 Facsimile: (02) 9335 7001

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Annexure 2 – Lease reset and extension analysis

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JLL SEE A BRIGHTER WAY

Job number: 47150

20 June 2025

The Directors
BWP Management Limited
Level 14, Brookfield Place
Tower 2,
123 St. Georges Terrace
PERTH WA 6000

Attention: Mr. Mark Scatena
Managing Director

Dear Directors,

Bunnings Warehouse Stores Proposed Extended Lease Tenure Analysis

We refer to your instructions on behalf of BWP Management Limited ("BWPMML") as the Responsible Entity of the BWP Trust ("BWP" and "the Trust") requesting our professional advice on the effect on market value of the Trust's investment properties as a consequence of a proposal to extend the lease term and options of certain Bunnings stores and adjust other lease terms to achieve lease standardisation and simplification.

We confirm that Jones Lang LaSalle and Bernard Sweeney are independent of BWPMML and do not have any pecuniary interest that would conflict with giving this advice.

Background

Wesfarmers Limited (ASX:WES), its subsidiary Bunnings Group Limited ("BGL") and the Trust have reached agreement, subject to unitholder approval, to vary the lease tenure of Bunnings stores at 62 properties owned by the Trust. The 62 properties currently have various remaining unexpired lease terms.

Proposed Changes

BWP and BGL propose new lease terms between 5 years to 10 years across the 62 BGL leases. It is also proposed to provide BGL with between 4 and 8 renewal options of 6 years each across the 62 leases. The "Term" is the period for which BGL is committed to lease a property from the Trust, whereas the lease renewal options are exercisable only by BGL.

The Trust gains the advantage of longer term certain on the relevant leases with a strong covenant (BGL), which materially increases the current weighted average lease expiry/duration ("WALE") of the portfolio. The additional lease option periods that BGL seeks are its own options and cannot be exercised by the Trust and therefore do not increase the weighted average lease duration of the portfolio.

The proposed extension of leases removes the Trust's risk of BGL vacating stores at the end of the relatively short remaining unexpired terms.

Jones Lang LaSalle Advisory Services Pty Limited
ABN 56 003 262 600
Locked Bag 3140 Melbourne VIC 3001
Level 33 101 Collins Street
Melbourne VIC 3000

T +61 3 9672 6666
jll.com.au

Value and Risk Advisory

A disadvantage for the Trust is that some well-located Bunnings stores have potential for redevelopment for alternate uses in future should BGL not exercise its options. In those cases, the land value has risen to the point where the Bunnings store represents an under-utilisation of the land, which is ready for development with an alternate, likely "mixed use" project. In such cases, extension of BGL's lease tenure would defer the opportunity of the Trust redeveloping those properties upon expiry of the final option term under the existing lease arrangement.

This alternate use opportunity applies to relatively few of the properties in this proposal and the existing lease terms similarly prevent the opportunity for redevelopment. We believe many investors would agree with granting Bunnings a longer term in "land rich" locations, as its desire for business continuity reflects the very investment security which makes BWP an attractive property trust.

In addition to the new lease terms, BWP and BGL have agreed amendments to certain other lease terms. These amendments seek to remove redundant clauses, provide greater consistency across leases and achieve lease simplification.

Likely Enhancing Effect on Value

BWPML Management has provided a list of the 62 Trust properties and their December 2024 valuations. BWPML Management has estimated the likely change to the valuation capitalisation rate ("cap rate") of relevant properties upon extension of lease term certain under this proposal.

BWPML Management has applied a 0.25% reduction in cap rate to 16 metropolitan properties (to those adopted in the December 2024 book values) and 0.50% reduction for the Vermont South, Victoria store and 3 regional/country stores to reflect the enhanced asset value where the lease had less than four years of remaining term certain at 31 December 2024. I agree with the difference for metropolitan and regional locations and that four years is an appropriate point of threshold for that decision.

BWPML Management did not adjust the cap rate for 9 stores where the existing lease is less than four years. Seven of these stores are in prime locations, comprising Artarmon, Belrose, Brendale, Maribyrnong, Minchinbury, Rydalmere and Villawood. They would be regarded in the investment marketplace as so attractive that the lease term is not so important and already have appropriately tight cap rates, reflecting the high likelihood that BGL would seek to continue occupying the property beyond the current expiry date and therefore the extended term did not add any inherent value. While it is obviously a superior position for the owner to have longer "term certain", the proposed extension is not considered to make a material difference to their investment appeal or value.

Bunnings stores at Maroochydore and Mt Gravatt, in Queensland did not have their cap rates reduced despite the longer term certain. Maroochydore is a non-metropolitan, Sunshine Coast asset. It is prime store but its size and capital value caused BWPML Management to leave its cap rate at 5.25% at December 2024. The Mt Gravatt store is an older building on an irregular shaped site, with its cap rate retained at 5.50% notwithstanding the longer term lease.

The new Chadstone Bunnings lease reflects a 5 year term and a 10% reduction in its passing rent. The new Hawthorn Bunnings lease reflects an 8 year term and a 5.0% reduction in its passing rent. The reduction in rental for these two properties has been offset by a 0.25% tightening in the cap rates, (in view of longer lease term and more appropriate rental level) resulting in no change to the capital values.

The weighted average lease expiry ("WALE") of the Trust property portfolio therefore increases from 4.4 years at December 2024 to 8.0 years based on this proposal for longer leases for 62 Bunnings stores, noting that several other Trust properties do not participate in this proposal. The WALE for the BGL leases increases from 4.6 years at December 2024 to 9.5 years based on this proposal for longer leases for 62 Bunnings stores. The total value of the Trust property portfolio is indicated to increase from \$3,641,000,000 to \$3,690,900,000 under this proposal. We understand there is no change to any rental income expectations in this analysis and the improvement is entirely attributed to the proposed extension of lease terms. The indicated \$49,900,000 net enhancement in value represents 1.37% of the total portfolio value as at 31 December 2024.

We have reviewed the list of Trust's properties for which an enhancement to property value is suggested as likely, assuming adoption of this proposal. We have questioned BWPML Management about the rationale for enhancement to property value according to each property's location, existing term certain, trade area population growth outlook and the possible risk of competitive hardware stores being developed in that location in the next few years.

BWPML Management have considered the additional lease terms to be amended and do not consider these will have an impact on value. We have questioned BWPML Management about the rationale for the other lease terms to be amended and understand these are largely to simplify the drafting across multiple leases. We agree with BWPML Management's conclusion that the amendments designed to remove redundant clauses and provide greater consistency across the leases would not affect the market value of the properties.

Value and Risk Advisory**Conclusion**

Having considered the proposal to increase the term certain of leases in varying degrees for 62 stores and questioned BWPML Management about the rationale for enhancement of value, consequent on the extended lease terms, we believe that this proposal enhances the total portfolio market value as estimated by BWPML Management.

We stress that we have not made independent valuations of any individual properties in formulating this advice, only concurring with BWPML Management's assessment of the change in value of each property attributable to the proposed lease extensions. Our involvement is limited to consideration of the overall proposal, the merit of increasing the term certain and option periods across the portfolio and questioning the background to the BWPML Management's assumptions.

This report is to provide supporting advice to the independent expert in reporting on the benefits of the proposal to BWP and its unitholders.

Yours faithfully

Jones Lang LaSalle Advisory Services Pty Ltd



Bernard F Sweeney FAPI MRICS

Senior Director

Value and Risk Advisory

Certified Practising Valuer

(API Member: 62116)

Liability limited by a scheme approved under Professional Standards Legislation.

Annexure 3 – Capital Structure and Ownership

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CAPITAL STRUCTURE AND OWNERSHIP

As at 27 June 2025, BWP Trust had 713.5 million units on issue. On Implementation of the Proposed Transaction, Investors will be issued a total of 724.4 million Stapled Securities (comprising existing units and new shares in BWP Property Group). Non-Associated Investors will be issued 554.5 million Stapled Securities and Wesfarmers will be issued the balance of 169.9 million Stapled Securities, comprising 76.5% and 23.5% ownership in BWP Property Group respectively.

Capital Structure	As at the Meeting Booklet Date	On Implementation of the Proposed Transaction
Units on issue	713,511,241	724,378,588
BWP Property Group shares on issue	1	724,378,588
Stapled Securities on issue	–	724,378,588

Security Holding Structure	As at the Meeting Booklet Date	On Implementation of the Proposed Transaction	%
Stapled Securities issued to Wesfarmers as consideration	–	10,867,347	1.5
Stapled Securities issued to Wesfarmers as in-specie distribution	–	159,014,206	22.0
Total Wesfarmers Stapled Securities	–	169,881,553	23.5
Stapled Securities issued to Non-Associated Investors as in-specie distribution	–	554,497,035	76.5
Total	–	724,378,588	100.0

Annexure 4 – Glossary

The meanings of the terms used in this document are set out below.

Term	Meaning
AAS	Australian Accounting Standards.
ABN	Australian Business Number.
ACN	Australian Company Number.
AEST	Australian Eastern Standard Time.
AFSL	Australian Financial Services Licence.
AMIT	Attribution managed investment trust.
Announcement Date	27 June 2025.
ARSN	Australian Registered Scheme Number.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691, the Australian Securities Exchange, or the market operated by it, as the context requires.
ASX Guidelines	ASX Corporate Governance Principles and Recommendations (as amended from time to time).
ATO	Australian Taxation Office.
Audit & Risk Committee	The committee established by BWP Boards as described in section 10.11 .
AWST	Australian Western Standard Time.
Bps	Basis points.
Bunnings	Bunnings Group Limited ACN 008 672 179.
Bunnings Lease	A lease between BWP and Bunnings and Bunnings Leases refers to all leases between BWP and Bunnings except for Rocklea, Wagga Wagga and Geraldton which are excluded from the scope of this document following Bunnings' notification of its intention to vacate those locations.
Bunnings WALE	The weighted average lease expiry for the 62 Bunnings Leases within the BWP property portfolio included in the Proposed Transaction.
Business	The business operated by BWP, being the investment and management of large format retail properties throughout Australia, with a focus on retail warehouses for its major tenant, Bunnings.
Business Day	Has the meaning given in the listing rules published by the ASX.
BWP	The BWP corporate group, being: (a) prior to Implementation, BWPM, the BWP Trust and each of the BWP Trust's subsidiary entities; and (b) following Implementation, the Stapled Entities and each of their subsidiary entities.
BWP Boards	Together, the BWPM Board and the BWP Property Group Board.
BWP Management Entities	Each of BWPM and NPR, which, prior to completion of the Proposed Transaction, are ultimately 100 per cent owned by Wesfarmers.
BWP Operations	BWP Operations Pty Ltd ACN 688 086 124.
BWP Property Group	BWP Property Group Ltd ACN 688 059 074.
BWP Property Group Board	The board of directors of BWP Property Group.

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BWP Property Group Constitution	The constitution of BWP Property Group.
BWP Property Group Non-Executive Directors	The non-executive directors on the BWP Property Group Board.
BWP Property Group Share	A fully paid ordinary share in BWP Property Group to be distributed to Investors in connection with the Proposed Transaction.
BWP Trust	BWP Trust ARSN 088 581 097 (ASX:BWP).
BWP Trust Register	The register of Unitholders of BWP.
BWP Trust Unit	An ordinary unit in BWP.
BWPM	BWP Management Limited ACN 082 856 424.
BWPM Board	The board of directors of BWPM in its personal corporate capacity or in its capacity as responsible entity of the BWP Trust, as the context requires.
BWPM Non-Executive Directors	The non-executive directors on the BWPM Board.
Capital Distribution	Has the meaning given in section 8.1.2 of the Prospectus.
Capital Expenditure Commitments	Subject to any necessary consents and approvals, the commitments to undertake store expansion expenditure and network upgrade expenditure at certain Bunnings sites within the BWP property portfolio.
Cash Consideration	\$100 million in cash to be paid by BWP Property Group to Wesfarmers in accordance with the terms of Share Sale and Subscription Deed.
CGT	Capital gains tax.
CHESS	Clearing House Electronic Subregister System.
Computershare	Computershare Investor Services Pty Limited ACN 078 279 277.
Conditions	The conditions to Implementation of the Proposed Transaction set out in the Implementation Deed and detailed in section 3.2 of the Prospectus.
Consideration Securities	10,867,347 Stapled Securities to be issued by BWP Property Group and BWP Trust, as applicable, to Wesfarmers in accordance with the terms of the Share Sale and Subscription Deed.
Co-operation and Services Agreement or CASA	The Co-operation and Services Agreement between BWPM and Wesfarmers in respect of the Transitional Services to be provided by Bunnings to BWP following Implementation, dated on or about the Announcement Date.
Corporations Act	<i>Corporations Act 2001</i> (Cth) and all regulations made pursuant to that Act.
Corrs	Corrs Chambers Westgarth ABN 89 690 832 091.
CPI	Consumer Price Index.
Deloitte Corporate Finance	Deloitte Corporate Finance, a division of Deloitte Financial Advisory Services (Australia) Pty Ltd (ABN 43 007 363 215; AFSL 246901), and Deloitte has a corresponding meaning.
DTA	Double taxation agreement.
DRP	Distribution reinvestment plan.
Employee Incentive Plan	The employee incentive plan adopted by the Stapled Entities in respect of the employees of BWP, the terms of which are approved by securityholders.
Existing BWP Trust Constitution	The constitution of the BWP Trust in place at the date of this document.
Existing Committee	Has the meaning given in section 10.11 of the Prospectus.
Explanatory Memorandum	The notice of meeting and explanatory memorandum relating to the Meeting of Investors to consider and, if thought fit, approve the Resolutions, dated on or about the date of this Prospectus.
FFO	Funds from operations.
FIEL	Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended.

Financial Information	The financial information described in section 7 of the Prospectus.
Financial Services Guide	Has the meaning given in Chapter 7 of the Corporations Act.
FMC Act	Financial Markets Conduct Act 2013 (NZ).
FSMA	Financial Services and Markets Act 2000 (UK), as amended.
Future Related Party Dealings	Has the meaning given in section 2.1.3 of the Explanatory Memorandum.
Future Related Party Dealings Approval Period	The period of six years following the date of the Meeting.
FY2026	The financial year commencing 1 July 2025 and ending 30 June 2026.
Gross Asset Value	In relation to the BWP Trust or an NPR Sub-Trust, the sum of: (c) the value of all the assets of the BWP Trust or relevant NPR Sub-Trust (as applicable); and (d) all other amounts which: (i) in relation to the BWP Trust, BWPM (as the responsible entity of the BWP Trust) in consultation with the auditor of the BWP Trust determines should be included for the purpose of making a fair and reasonable determination of the value of the BWP Trust and on an undiscounted basis, having regard to generally accepted accounting principles; and (ii) in relation to an NPR Sub-Trust, NPRM (as the responsible entity or trustee (as applicable) of the relevant NPR Sub-Trust) in consultation with the auditor of the BWP Trust determines should be included for the purpose of making a fair and reasonable determination of the value of the BWP Trust and on an undiscounted basis, having regard to generally accepted accounting principles.
GST	Goods and Services Tax.
Highbury Partnership	Highbury Partnership Pty Ltd ACN 162 169 502.
HIN	Holder identification number.
Implementation	Implementation of the Proposed Transaction under the Implementation Deed being the Internalisation, Lease Reset and Extension and Capital Expenditure Commitments and Implemented has a corresponding meaning.
Implementation Date	The date the Proposed Transaction is Implemented, expected to be 1 August 2025.
Implementation Deed	The deed between BWPM (in its personal corporate capacity and as responsible entity of the BWP Trust), BWP Property Group Ltd and Wesfarmers which sets out the steps necessary to implement the Proposed Transaction, dated on or about the Announcement Date.
Independent Expert	Deloitte Corporate Finance Pty Ltd ACN 003 833 127.
Independent Expert Report	The report prepared by the Independent Expert expressing an opinion as to whether the Proposed Transaction is fair and reasonable and in the best interests of Investors not associated with Wesfarmers.
Information Line	1300 119 134 (within Australia) and +61 3 9415 4352 (outside Australia) between 8:30 am and 5:00 pm (AEST) Monday to Friday (excluding public holidays).
Internalisation	The internalisation of the management functions of BWP to be effected by the acquisition of 100 per cent of the shares in the capital of BWPM by BWP Property Group from Wesfarmers.
Internalisation Purchase Price	The consideration payable to Wesfarmers in connection with Internalisation and comprising of the Cash Payment and the Consideration Securities.
Investor	A BWP Trust Unitholder or Stapled Securityholder, as the context requires.
IPO	Initial public offering.
IPO Investor	Has the meaning given in section 8.1.2 of the Prospectus.
JLL	Jones Lang LaSalle ABN 37 002 851 925.
KPMG	KPMG Financial Advisory Services (Australia) Pty Ltd ACN 007 363 215.
Lease Reset and Extension	The restructuring of the terms of Bunnings Leases within the BWP property portfolio.

Lease Variation and Implementation Deed	The Lease Variation and Implementation Deed between BWPM and Bunnings in respect of the Lease Reset and Extension and Capital Expenditure Commitments, dated on or about the Announcement Date.
Listing Rules	The official listing rules of the ASX from time to time as modified by any express written confirmation, waiver, or exemption given by the ASX.
Managing Director	The managing director of BWPM or BWP Property Group, as the context requires.
Meeting	The meeting of Investors to consider the Proposed Transaction to be held on the Meeting Date, and any adjournment of that meeting.
Meeting Date	Expected to be 28 July 2025.
NAV	Net asset value.
New BWP Trust Constitution	Following Implementation, the constitution of the BWP Trust.
Non-Executive Directors	Together, the BWPM Non-Executive Directors and the BWP Property Group Non-Executive Directors.
Non-Resident Investor	An Investor that is not an Australian tax resident.
Notice or Notice of Meeting	The notice of meeting in respect of the Meeting which annexes the Explanatory Memorandum.
NPR REIT	Newmark Property REIT (ASX:NPR).
NPR Sub-Trusts	NPR Trust No. 1 ARSN 161 274 111, NPR Trust No. 2, NPR Trust No. 3 and NPR Trust No. 4 ARSN 648 280 219, each a Sub-Trust .
NPRM	NPR Management Limited ACN 644 715 382.
NTA	Net tangible asset.
Operating Rules	The operating clauses of a clearing and settlement facility regulating the settlement, clearing and registration of uncertificated securities as amended, varied or waived (whether in respect of the BWP Trust or generally) from time to time, including the ASX Operating Rules and the ASX Settlement and Operating Rules.
Original Prospectus	The prospectus issued by BWP Property Group dated 27 June 2025 relating to the distribution of BWP Property Group Shares to Investors in connection with the Proposed Transaction, which was replaced by the Prospectus.
Privacy Act	<i>Privacy Act 1988</i> (Cth).
Proposed Transaction	Together, the Internalisation, Lease Reset and Extension and Capital Expenditure Commitments.
Prospectus	The replacement prospectus issued by BWP Property Group dated 8 July 2025 relating to the distribution of BWP Property Group Shares to Investors in connection with the Proposed Transaction, which replaces the Original Prospectus.
Proxy Form	The proxy form accompanying the Notice of Meeting.
Registry	Computershare Investor Services Pty Limited ACN 078 279 277.
REIT	Real estate investment trust.
Related Body Corporate	Has the meaning given to that term in the Corporations Act.
Related Party Dealings	Together, the Internalisation, Lease Reset and Extension, Capital Expenditure Commitments and the Future Related Party Dealings.
Related Party Governance Framework	The related party governance framework relating to the Future Related Party Dealings as described in section 2.1.4 of the Explanatory Memorandum.
Remuneration & Nomination Committee	The committee established by the BWP Boards to review and make recommendations in relation to succession planning, recruitment, selection and induction processes, continuing development of members of the BWP Boards and succession planning for senior executive positions, as described in section 10.11 of the Prospectus.
Rentalised or Rentalisation	Refers to the process of incorporating the cost of improvements or upgrades into the rent paid by a tenant.
Resident Investor	An Investor that is an Australian tax resident.
Resolutions	Resolutions 1, 2 and 3 set out in the Notice of Meeting that are required to be approved by Investors at the Meeting in order to implement the Proposed Transaction.

Share Sale and Subscription Deed	The agreement of that name between BWP Property Group and Wesfarmers for the acquisition of all the issued shares in the capital of BWPM, dated on or about the Announcement Date.
Stapled Entities	Following Implementation, BWP Property Group and the BWP Trust (or BWPM as responsible entity of the BWP Trust, as the context requires).
Stapled Security	A stapled security comprising one BWP Trust Unit and one BWP Property Group Share, stapled together as a result of Implementation, so that one may not be transferred or otherwise dealt with without the other and, while the issuers of those securities are admitted to the official list of ASX, so that the securities are quoted on ASX together as a “stapled security” or such other term as the ASX determines from time to time.
Stapled Securityholder	A holder of Stapled Securities.
Stapling Commencement Date	The date determined by BWPM (as responsible entity of the BWP Trust) and BWP Property Group to be the day on which the Units in BWP the BWP Property Group Shares will become stapled (if the Resolutions are approved), currently expected to be 1 August 2025.
Stapling Deed	The Stapling Deed between BWPM as responsible entity of the BWP Trust, and BWP Property Group dated on or around 27 June 2025.
Stapling Record Date	The date allocated by BWP to determine which Unitholders are eligible to receive the distribution of the BWP Property Group Shares for each BWP Trust Unit they hold, expected to be 31 July 2025.
TFN	Tax file number.
Transitional Services	The transitional services to be provided by Wesfarmers to BWP under and in accordance with the Co-operation and Services Agreement.
Unitholder	A person registered as the holder of a BWP Trust Unit.
US Securities Act	U.S. Securities Act of 1933, as amended.
Voting Record Date	Has the meaning given to that term in section 2 of the Explanatory Memorandum.
WALE	Weighted average lease expiry.
Wesfarmers	Wesfarmers Limited ACN 008 984 049 (ASX: WES).

Corporate Directory

Responsible Entity

BWP Management Limited
ACN 082 856 454; AFSL 000247830
Level 14, Brookfield Place Tower 2,
123 St Georges Terrace,
Perth WA 6000

Financial Advisor

Highbury Partnership Pty Limited
ABN 14 162 169 502
AFSL 434 566
Level 12, The Chifley Tower
2 Chifley Square
Sydney NSW 2000

Legal Advisor

Corrs Chambers Westgarth
ABN 89 690 832 091
Level 37, Quay Quarter Tower
50 Bridge Street
Sydney NSW 2000

Auditor

KPMG Australia
ABN 43 007 363 215
235 St Georges Terrace
Perth WA 6000

Investigating Accountant

KPMG Financial Advisory Services (Australia)
Pty Ltd
ACN 007 363 215
235 St Georges Terrace
Perth WA 6000

Independent Expert

Deloitte Corporate Finance Pty Limited
ACN 003 833 127
Level 46, Quay Quarter Tower
50 Bridge Street
Sydney NSW 2000

Registry

Computershare Investor Services Pty Limited
ACN 078 279 277
Level 17, 221 St Georges Terrace
Perth WA 6000

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Need assistance?



Phone:
1300 119 134 (within Australia)
+61 3 9415 4352 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AWST) on Saturday, 26 July 2025.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 184991

SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of BWP Trust hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of BWP Trust to be held at Perth Convention & Exhibition Centre, Meeting Room 8, Level 2, 21 Mounts Bay Road, Perth WA 6000 on Monday, 28 July 2025 at 10:00am (AWST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 2 (except where I/we have indicated a different voting intention in step 2) even though Resolution 2 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 2 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	General approval of Proposed Transaction and related party arrangements (listing rule 10.1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of employee incentive plan (listing rule 7.2 (exception 13(b)))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Amendments to existing BWP Trust constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically