

BWP Internalises its Management

| | |
|--------------------------|--|
| Company/ASX Code | BWP Trust (BWP) |
| EGM time and date | Monday, 28 July 2025 10.00 am |
| Location | Perth Exhibition and Convention Centre Mounts Bay Road Perth |
| Registry | Computershare |
| Type of meeting | EGM |
| Monitor | Geoff Read |
| Pre-AGM Meeting | Yes, with MD, Co Sec, Investor Relations |

Monitor Shareholding: The person who prepared this voting intention does not hold units in this company.

1. How we intend to vote

| No. | Resolution description | |
|-----|--|-----------|
| 1 | General Approval of the Proposed Transaction | See Below |
| 2 | Approval of the Employee Incentive Plan | See Below |
| 3 | Amendment to the existing BWP Trust Constitution | See Below |

NOTE

The decision on how to vote may have implications for your personal taxation position in relation to the cost base of your units. Shareholders should make their own decision regarding how to vote.

Note: Should we receive any undirected proxies then we will vote them FOR all the resolutions in line with the independent expert's recommendation and the Directors recommendations.

2. Summary of Issues and Voting Intentions for EGM

After 27 years of existence the directors of BWP have finally decided it is appropriate to bring the management of BWP in house and into line with nearly all other Australian Property Trusts.

Today, the management of BWP is performed by BWP Management Limited, which is a wholly owned subsidiary of Wesfarmers, the owners of the Bunnings Business but not the properties. The structure has raised increasing concerns about perceived conflicts of interest, particularly given the alignment of management personnel and tenancy arrangement.

The directors of BWP are all appointed by Wesfarmers. Wesfarmers occupies over 80% of the BWP properties.

Today, Bunnings pays rent to BWP, yet BWP is managed by Wesfarmers employees who are employees of BWP Management. So, the employees of BWPM are acting in the best interests of BWP yet are remunerated by WES who are the tenants of BWP.

WES charges BWP an annual fee for the management services provided by BWPM and its employees to BWP. It must be hard for the employees to negotiate a balanced deal for both sides. Further, when reviewing rents and negotiating capital improvements there is again a perceived conflict of interest.

There is no suggestion of wrongdoing. However, it is widely suggested that externally managed structures of this nature no longer reflect governance best practice.

If the proposal proceeds, then BWP will purchase the management rights from Wesfarmers for \$142.6M. This will be paid as \$100M plus 10,867,347 BWP units issued at \$3.92 each. This will bring Wesfarmers ownership of BWP to 23.5%. ASA notes this potential concentration of ownership by Wesfarmers and will monitor any governance implications. BWP will cease paying an annual management fee to WES and thus the distribution per unit should increase slightly. Bunnings will also enter renewed and longer leases for 62 stores.

BWP will agree to spend \$56M on capital upgrades to some stores over the next 5 years. While capital investment in property is an expected part of maintaining asset value and tenant satisfaction, this commitment could raise member queries given the continued dominance of Wesfarmers (via Bunnings) as the primary tenant, and the timing of the upgrade following the internalisation of management. The ASA will continue to monitor Wesfarmers' dual role as both major tenant and largest unitholder, and advocate for any potential conflicts to be managed and decisions made reflect arm's-length principles.

At the meeting, ASA will ask the board to explain the remuneration framework for BWP employees and directors. We will also ask about the timetable and process for election of directors.

ASA Disclaimer

This document has been prepared by the Australian Shareholders Association Limited ABN 40 000 625 669 ("ASA"). It is not a disclosure document, it does not constitute investment or legal advice, and it does not take into account any person's particular investment objectives. The statements and information contained in this document are not intended to represent recommendations of a particular course of action to any particular person. Readers should obtain their own independent investment and legal advice in relation to the matters contemplated by this document. To the fullest extent permitted by law, neither ASA nor any of its officers, directors, employees, contractors, agents, or related bodies corporate:

- makes any representations, warranties or guarantees (express or implied) as to the accuracy, reliability, completeness, or fitness for purpose of any statements or information contained in this document; or*
- shall have any liability (whether in contract, by reason of negligence or negligent misstatement or otherwise) for any statements or information contained in, or omissions from this document; nor for any person's acts or omissions undertaken or made in reliance of any such statements, information, or omissions.*

This document may contain forward looking statements. Such statements are predictions only and are subject to uncertainties. Given these uncertainties, readers are cautioned not to place reliance on any such statements. Any such statements speak only to the date of issue of this document and ASA disclaims any obligation to disseminate any updates or revisions to any such statements to reflect changed expectations or circumstances.