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## REMUNERATION & NOMINATION COMMITTEE CHARTER

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### 1. Introduction

#### 1.1. Background

BWP Management Limited is the Responsible Entity for the managed investment scheme known as the BWP Trust ("the Trust").

The Trust's units are listed on the Australian Securities Exchange ("ASX").

The shares of BWP Management Limited ("Responsible Entity") are not listed on the ASX.

The Responsible Entity is the holder of an Australian Financial Services Licence (AFS Licence) and is required to meet certain key person requirements under this licence.

#### 1.2. Framework

The ASX Listing Rules require all listed entities who are in the S&P/ASX 300 to establish a remuneration committee comprised solely of non-executive directors. As long as the Trust is listed and included in the S&P/ASX 300, the Responsible Entity is required to comply with this listing rule.

The Responsible Entity also seeks to comply with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("ASX Principles and Recommendations") where these recommendations are applicable for an externally managed listed entity and its responsible entity. The ASX Principles and Recommendations recommend the establishment of a nomination committee and a remuneration committee.

#### 1.3. Appointment of Committee

The Responsible Entity's Board appoints the Committee and its members and approves the Committee's charter.

Other than where the Board has delegated specific approval authority to the Committee, Board approval of Committee recommendations is required.

This Charter applies to the Remuneration & Nomination Committee ("Committee").

### 2. Role and responsibilities

#### 2.1. Role of the Committee

The Responsible Entity is an unlisted company and a wholly owned subsidiary of Wesfarmers Limited and its employees are employed by Wesfarmers. Accordingly, the Responsible Entity Board's recommendations in relation to Board and executive appointments and remuneration are subject to approval by its shareholder, Wesfarmers Limited

The role of the Committee is to:

- a) assist the Board of the Responsible Entity and its shareholder, where practicable, in ensuring that the Responsible Entity's remuneration policies are appropriate, and in particular ensuring that:
  - i. key executives are motivated to pursue the long-term growth and success of the Trust;
  - ii. the remuneration of key executives is linked to the performance of the Trust; and
  - iii. the remuneration of the non-executive directors is appropriate for the nature and scope of their responsibilities.

- b) assist the Board of the Responsible Entity and, where appropriate, its shareholder, in the board renewal process and the selection and appointment of directors.

## 2.2. Committee responsibilities

The Committee is responsible for:

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### 2.2.1 Responsibilities relating to executives and employees

- (a) satisfying itself that there are procedures in place to ensure that only appropriate staff will hold positions in the Responsible Entity and that staff will be qualified, skilled and experienced to perform the relevant roles
- (b) satisfying itself that all Responsible Officers and/or Key Persons meet the training and expertise requirements of ASIC Regulatory Guide 164 (RG 164)
- (c) satisfying itself that there is an appropriate executive succession plan in place or that the Responsible Entity can source executives from within the Wesfarmers Group with the skills and experience required to perform the relevant roles
- (d) satisfying itself, prior to their appointment, that the nominated Managing Director and key executives reporting to the Managing Director, have the appropriate qualifications, skills and experience; and where appropriate, recommending Board support for their appointment
- (e) satisfying itself that appropriate key performance indicators are developed against which to measure the performance of key executives
- (f) satisfying itself that incentives for executive directors and other senior executives encourage them to pursue the growth and success of the Trust without rewarding conduct that is contrary to the values or risk appetite of the Responsible Entity and Trust
- (g) satisfying itself that key executives are subject to an annual performance evaluation process
- (h) ensuring there is a process for providing feedback to the Managing Director and Wesfarmers on the Managing Director's performance.

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### 2.2.2 Responsibilities relating to the Board and its members

- (a) reviewing Board succession plans
  - (b) periodically reviewing the Board's skills matrix to ensure it covers the skills required to discharge the Board's obligations effectively, and that the Board will have the skills needed to address existing and emerging business and governance issues
  - (c) periodically assessing the competencies of directors on the Board of the Responsible Entity against the skills matrix to identify any gaps in the Board's collective skills that should be addressed by providing professional development to existing directors or taking on new directors
  - (d) satisfying itself that there is a formal and transparent procedure for the selection and appointment of directors
  - (e) satisfying itself that the Responsible Entity has a satisfactory program for inducting new directors
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- (f) periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their roles as directors effectively, including being equipped to deal with new and emerging business and governance issues
  - (g) reviewing the non-executive directors' remuneration and making recommendations to Wesfarmers Limited where appropriate; and
  - (h) ensuring the Board of the Responsible Entity undertakes a performance evaluation, on average, once every two years.
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### **2.3. Responsibilities of the Committee Chairman**

The Committee Chairman's responsibilities include:

- (a) providing leadership to the Committee
- (b) approving agendas for Committee meetings in conjunction with the Company Secretary and the Managing Director, and ensuring that adequate time is available for discussion of all agenda items
- (c) ensuring the efficient organisation and conduct of the Committee's function
- (d) reporting to the Board on the Committee's recommendations.

## **3. Committee composition**

### **3.1. Membership**

The Committee should be of sufficient size and independence, and its members between them, should have the necessary technical knowledge and a sufficient understanding of the industry in which the Trust operates, to be able to discharge the Committee's responsibilities effectively.

The Committee will be appointed by the Board and will consist of:

- (a) at least three members, all of whom are non-executive directors and a majority of whom are "external directors" (in accordance with the definition of "external directors" in section 601JA of the Corporations Act 2001)
- (b) at least one member who has relevant industry experience.

Any directors of the Board who are not Committee members are entitled to attend Committee meetings and receive copies of Committee papers.

### **3.2. Committee Chairman**

The Chairman of the Committee is appointed by the Board.

The Committee Chairman will be a non-executive Director who satisfies the criteria for external directors as described in section 601JA of the Corporations Act.

Board policy is for the Chairman of the Board to also chair the Remuneration & Nomination Committee.

## 4. Proceedings of meetings

### 4.1. Frequency of meetings

The Committee will meet often enough to carry out its role effectively, but in any event, not less than once each financial year. A member of the Committee may convene a meeting of the Committee at any time.

### 4.2. Quorum

A quorum of the Committee is two members who are "external directors" as defined in section 601JA of the Corporations Act 2001 (the "Act").

### 4.3. Voting

Only members of the Committee are entitled to vote on a resolution of the Committee. A resolution may be passed by a simple majority. The Chairman does not have a casting vote in addition to their deliberative vote.

The Committee may pass resolutions without a meeting subject to complying with the requirements of the Board's Circular Resolution Protocol.

### 4.4. Company Secretary

The Company Secretary will act as Secretary to the Committee, unless otherwise determined by the Committee.

### 4.5. Attendees

Meetings of the Committee are attended by the Managing Director of the Responsible Entity and the Company Secretary, unless requested otherwise by the Chairman.

### 4.6. Agendas

The Chairman, with the assistance of the Company Secretary and Managing Director, develops the agenda for each meeting on the basis of the annual workplan and any other matters deemed to be relevant to the particular meeting.

### 4.7. Conduct of meetings

The procedures for the timely circulation of papers and conduct of Board meetings also apply to meetings of the Committee, except to the extent otherwise agreed by a majority of members of the Committee.

### 4.8. Minutes

Minutes of meetings of the Committee will, following preliminary approval of the Committee Chairman, be circulated to Committee members for confirmation. Copies of all minutes will be included in the papers for the next Board meeting.

## 5. Authority

The Committee is authorised to:

- (a) obtain any information or explanation from any employee of the Responsible Entity, or any relevant external party
- (b) request any employee of the Responsible Entity or relevant external party to attend any Committee meeting
- (c) carry out any investigation within the scope of the Committee's authority and responsibilities
- (d) seek independent remuneration, legal, accounting or other professional advice on any matters within the scope of its duties and responsibilities, with all reasonable costs to be borne by the Responsible Entity or Trust as appropriate.

## **6. Reviews**

### **6.1. Committee performance review**

Committee performance evaluations will be conducted in conjunction with the Board performance review at least once every two years.

### **6.2. Charter review**

The Charter will be reviewed by the Committee as and when required, but not less than once every three years.

Any recommendations to amend the Charter must be referred to the Board for approval. A copy of this Charter is maintained on the Trust's website.

*Approved by the Board on 24 June 2020*