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## RESPONSIBLE ENTITY BOARD 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 are not listed on the ASX.

This Charter applies to the Board of BWP Management Limited in its capacity as Responsible Entity of the listed Trust ("Responsible Entity").

References to the Board means the Board of BWP Management Limited.

#### 1.2. Relationships

The Responsible Entity is a wholly owned subsidiary of the Wesfarmers Limited Group of companies ("Wesfarmers"). As sole shareholder of the Responsible Entity, Wesfarmers appoints the directors of the Responsible Entity and approves the Board's remuneration.

Other significant relationships include:

- The majority of the Trust's property income is received from Bunnings Group Limited which is also a wholly owned subsidiary of Wesfarmers.
- The Trust may purchase property from a Wesfarmers subsidiary, and utilises Bunnings Group Limited as project manager on a number of property developments.
- Wesfarmers is a substantial unitholder in the Trust.

#### 1.3. Framework

The Board is responsible for the culture and corporate governance of the Responsible Entity.

Where required and practicable, the Responsible Entity's corporate governance practices are consistent with the recommendations of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("ASXCGC Principles and Recommendations").

The Trust is an "externally managed listed entity" for the purposes of determining which of the ASXCGC Principles and Recommendations apply to the Trust and its Responsible Entity.

Board governance matters also take into consideration any relevant provisions of the Responsible Entity's Constitution, the Trust's Constitution and Compliance Plan, the ASX Listing Rules and the Corporations Act 2001 ("the Corporations Act").

### 2. Role and responsibilities

#### 2.1. Role of the Board

The role of the Board is to:

- demonstrate leadership
- approve the purpose, values and strategic direction of the Responsible Entity as it applies to the management of the Trust;
- oversee the effective management of the Responsible Entity and the Trust; and
- ensure that the affairs of the Trust are managed in a manner that protects and enhances the interests of Trust unitholders.

## 2.2. Duties and responsibilities

The functions of the Board include the following:

<b>Culture and strategy</b>	<ul style="list-style-type: none"> <li>a) defining the Trust's purpose and providing guidance in the setting of strategic objectives</li> <li>b) reviewing the Trust's investment objectives to ensure they are consistent with the Trust's strategic direction</li> <li>c) approving and monitoring compliance with the statement of values and code of conduct so as to underpin the desired culture of acting lawfully, ethically and responsibly</li> <li>d) overseeing management in its implementation of strategic objectives and the instilling of the desired culture</li> </ul>
<b>Financial controls, risk management and compliance</b>	<ul style="list-style-type: none"> <li>a) approving the corporate plan, annual operating and capital expenditure budgets and monitoring performance against plans and budgets</li> <li>b) overseeing the adequacy and integrity of the accounting and corporate reporting systems and internal controls framework, including the external audit and ensuring compliance with Chapter 2M of the Corporations Act (financial reporting)</li> <li>c) satisfying itself that the Responsible Entity has in place an appropriate risk management framework (for both financial and non-financial risks including oversight and assessment of climate-related risks and opportunities) and setting the risk appetite within which the Board expects management to operate</li> <li>d) monitoring the effectiveness of the risk management and compliance systems to ensure the Trust is being operated with due regard to the risk appetite set by the Board</li> <li>e) approving the appointment, re-appointment or removal of the external auditor</li> </ul>
<b>Capital management, funding and liquidity</b>	<ul style="list-style-type: none"> <li>a) monitoring and overseeing the Trust's and Responsible Entity's financial positions</li> <li>b) reviewing and approving capital management initiatives including the issue of new securities in the Trust and reductions of capital</li> <li>c) approving major business initiatives, capital expenditure, acquisitions and divestments which exceed the limits delegated to the Managing Director</li> <li>d) determining the net income of the Trust available for distribution, the distribution amount per unit and the price of units offered in accordance with the distribution reinvestment plan</li> </ul>
<b>Management</b>	<ul style="list-style-type: none"> <li>a) approving and monitoring delegations of authority to the Managing Director</li> <li>b) satisfying itself that the Managing Director and his or her direct reports have the appropriate qualifications, skills and experience</li> <li>c) evaluating the performance of the Managing Director at least annually</li> <li>d) satisfying itself that the Responsible Entity's remuneration policy aligns executive interests with the creation of value for unitholders and with the entity's purpose, values and risk appetite</li> <li>e) satisfying itself that the Responsible Entity's remuneration policy does not reward conduct that is contrary to the entity's values or risk appetite</li> </ul>

	<ul style="list-style-type: none"> <li>f) satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board including any breaches of policies, codes or compliance obligations</li> <li>g) approving the appointment and replacement of the Company Secretary</li> <li>h) wherever required, challenging management and holding it to account</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>a) satisfying itself that the corporate governance framework and compliance plan are supported by the appropriate policies and procedures; monitoring their effectiveness and addressing any material breaches</li> <li>b) overseeing the Responsible Entity's process for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Trust's securities</li> <li>c) ensuring compliance with Part 5C.7 and Chapter 2E of the Act (related party matters)</li> <li>d) ensuring compliance with ASX Listing Rules and Australian Financial Services License obligations</li> </ul>
<b>Board</b>	<ul style="list-style-type: none"> <li>a) ensuring the Board is of an appropriate size and that collectively, its members have the skills, knowledge, experience and commitment to enable the Board to discharge its duties effectively and deal with emerging business and governance issues</li> <li>b) ensuring Board composition is consistent with requirements described in this Charter, the Compliance Plan and the Responsible Entity's Constitution and that directors are able to bring an independent judgement to bear on issues before the Board and to act in the best interests of unitholders</li> <li>c) ensuring that non-executive directors are adequately remunerated</li> <li>d) ensuring Board performance is periodically evaluated</li> </ul>
<b>Duty to protect the rights and interests of unitholders</b>	<p>The Board is responsible for ensuring that the Responsible Entity:</p> <ul style="list-style-type: none"> <li>a) acts honestly</li> <li>b) exercises the degree of care and diligence that a reasonable person would exercise if they were in the Responsible Entity's position and role</li> <li>c) acts in the best interests of Unitholders and, if there is a conflict between the interests of Unitholders and its own interests, gives priority to the interests of the Unitholders</li> <li>d) treats Unitholders who hold units of the same class equally and Unitholders who hold units of different classes, fairly</li> <li>e) does not make use of information acquired through being the Responsible Entity in order to gain an improper advantage for itself or any other person, or cause detriment to the Unitholders</li> <li>f) ensures at all times that the Constitution meets the requirements of Part 5C.3 of the Act and that the Compliance Plan also meets the requirements of Part 5C.4 of the Act</li> <li>g) complies with the Compliance Plan</li> <li>h) ensures that Trust assets are clearly identified as "trust property" and held separately from property owned or controlled by the Responsible Entity and the property of any other Managed Investment Scheme</li> <li>i) ensures that the Trust property is valued at regular intervals</li> </ul>

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- j) ensures all payments out of the Trust property are made strictly in accordance with the Constitution and the Act, and
  - k) reports significant breaches of the RE's obligations to ASIC in accordance with the requirements set out in the RE's Breach Reporting Policy.
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### 2.3. Responsibilities of the Chairman

The Chairman is a non-executive director who satisfies the criteria for external directors as described in section 601JA of the Corporations Act.

The Chairman's responsibilities include:

- a) providing leadership to the Board
- b) ensuring Board members' behaviours are consistent with the organisation's values and code of conduct
- c) ensuring the Board has the required expertise to fulfill its functions
- d) facilitating the effective contribution of all directors
- e) promoting constructive and effective relations between the Board and management and between directors
- f) ensuring the Managing Director's performance is regularly assessed and that feedback is provided on that performance
- g) monitoring the performance of the Board and ensuring Board performance is regularly evaluated
- h) representing the Board externally with the shareholder and Trust unitholders as may be required from time to time
- i) approving agendas for Board meetings in conjunction with the Managing Director and Company Secretary, and ensuring that adequate time is available for discussion of all agenda items
- j) ensuring the efficient organisation and conduct of the Board's function
- k) chairing general meetings of the Trust's unitholders.

### 2.4. Responsibilities of management

The Board delegates to the Managing Director all powers to manage the day-to-day business of the Responsible Entity and the Trust, subject to those powers reserved to the Board and any specific delegations of authority approved by the Board.

The key responsibilities of the Managing Director are to:

- a) manage and administer day-to-day operations of the Responsible Entity and the business of the Trust in accordance with the purpose, values, strategy, corporate plans and policies approved by the Board
- b) develop the corporate plan and strategies to achieve the plan and make recommendations to the Board
- c) develop annual budgets and conduct business activities within the approved budgets
- d) develop and maintain the risk management systems, including internal compliance and control mechanisms and ensure the Trust's business is operating within the risk appetite set by the Board
- e) ensure there is a process for informing the Board when the Trust's business is being operated outside the Board's risk appetite
- f) within the risk management framework, assess climate-related risks and opportunities and provide recommendations to the Board
- g) ensure compliance with the ASX Listing rules and Australian Financial Services Licence and any other laws that apply to the Responsible Entity and the Trust
- h) provide leadership to the management team, to supervise and monitor their performance

- i) report regularly to the Board with accurate, timely and clear information, such that the Board is fully informed and able to discharge its responsibilities effectively
- j) ensure the implementation of appropriate processes to verify the integrity of the Trust's corporate reports
- k) implement the policies, processes and codes approved by the Board
- l) instil and reinforce the Responsible Entity's purpose and values to support a culture that promotes ethical, lawful and responsible behaviour.

### 3. Delegations

#### 3.1. Delegation to the Managing Director

The Board has delegated responsibility for the day-to-day management of the Responsible Entity and the Trust to the Managing Director. Some of these delegations are subject to Board approved policies and authority limits which are reviewed each year. These authority limits are summarised in the Delegated Authorities Schedule.

#### 3.2. Delegations to management

The Managing Director may delegate operational and compliance responsibilities to direct reports, but retains overall responsibility for the successful management of the Responsible Entity and the Trust and overall compliance with the Compliance Plan. Authority limits that have been delegated to direct reports are summarised in the Delegated Authorities Schedule.

#### 3.3. Delegations to service providers

The Managing Director delegates a number of the functions, activities and duties required to be performed by the Responsible Entity to external service providers and Wesfarmers Corporate. As a general rule, these delegations are identified in the Compliance Plan.

#### 3.4. Delegations to committees

The Board may establish standing or temporary committees to assist it in carrying out its role and responsibilities.

The Board has established two standing committees:

- Audit & Risk Committee
- Remuneration & Nomination Committee.

Each standing committee has a charter which sets out its role and responsibilities. Each committee charter is approved by the Board.

#### 3.5. Compliance committee

Under the Corporations Act, and as described in the Compliance Plan, if less than half of the directors are external (as defined in Section 601JA of the Corporations Act), then a registered scheme must have a compliance committee.

The Board does not currently require a compliance committee as at least half of its directors are external directors.

### 4. Composition, size and structure of the Board

#### 4.1. Composition principles

The Board, together with the shareholder of the Responsible Entity, will determine the structure and composition of the Board taking into consideration requirements set out in this Charter, the Responsible Entity's Constitution, the Compliance Plan, ASXCGC Principles and Recommendations and the Corporations Act.

The following composition principles apply:

<b>Size</b>	The Board of the Responsible Entity should comprise a sufficient number of directors (but not less than four) to ensure it collectively has the balance of skills, knowledge, experience and commitment to enable it to discharge its duties effectively and to add value
<b>Skills &amp; expertise</b>	<p>a) Persons nominated as non-executive directors are expected to:</p> <ul style="list-style-type: none"> <li>i. have qualifications, experience and expertise of benefit to the Responsible Entity and to bring independent views to the Board's deliberations</li> <li>ii. review their membership of the Board from time to time taking into account their length of service, age, qualifications and expertise relevant to the Responsible Entity's Board composition principles and the overall interests of the RE and the Trust</li> <li>iii. regularly evaluate their other commitments to ensure they have sufficient time to fulfil their duties and responsibilities as directors of the Responsible Entity</li> <li>iv. undertake continuing professional development to the extent necessary to ensure they maintain the skills required to discharge their obligations</li> </ul> <p>b) The Responsible Entity Board maintains a skills matrix setting out the mix of skills required for the Board and to assist the Board in its succession planning. The skills matrix is used to identify any gaps in the collective skills of the Board that should be addressed either by providing training to existing Board members or through the appointment of new directors</p> <p>c) Directors are expected to participate in programs of induction, training and development identified by the Board as necessary to maintain the skills and knowledge needed to perform their roles effectively</p>
<b>Structure</b>	The Board should have a majority of non-executive directors and not less than half of the directors should be external (as defined in section 601JA of the Corporations Act)
<b>Chairman</b>	<p>a) The Board should be chaired by an external non-executive director</p> <p>b) The positions of Chairman and Managing Director should not be held by the same person</p>
<b>Wesfarmers nominee</b>	<p>a) The Board may include one director (other than the Managing Director) from within the Wesfarmers Group or nominated by the Wesfarmers Group</p> <p>b) There can be no common directors between the Responsible Entity and Wesfarmers Investments Pty Ltd or any other Wesfarmers company that may invest in or have material financial dealings with the Trust</p>
<b>Executive directors</b>	<p>Persons appointed as executive directors:</p> <ul style="list-style-type: none"> <li>a) must be of sufficient stature and security of employment to express independent views on any matter; and</li> <li>b) are expected to retire from the Board on relinquishment of the executive position with the Wesfarmers Group. They are then eligible for reappointment if they meet the guidelines for non-executive directors.</li> </ul>

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<b>Board renewal</b>	With the assistance of the Remuneration & Nomination Committee, the Board maintains a board succession plan to ensure it has an orderly renewal process
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## 4.2. Independence

Directors of the Responsible Entity are expected to bring an independent view to the Board's deliberations. A majority of non-executive directors are required to be "independent".

Under the regulations applicable to managed investment schemes, that "independence" is determined according to the definition of "external directors" in section 601JA of the Corporations Act. (This definition is not the same in all respects as the definition of independence in the ASX Principles and Recommendations.)

Under section 601JA of the Corporations Act, a director of the Responsible Entity is an external director if they:

- a) are not, and have not been in the previous two years, an employee of the Responsible Entity or a related body corporate; and
- b) are not, and have not been in the previous two years, a senior manager of a related body corporate; and
- c) are not, and have not been in the previous two years, substantially involved in business dealings, or in a professional capacity, with the Responsible Entity or a related body corporate; and
- d) are not a member of a partnership that is, or has been in the previous two years, substantially involved in business dealings, or in a professional capacity, with the Responsible Entity or a related body corporate; and
- e) do not have a material interest in the Responsible Entity or a related body corporate; and
- f) are not a relative of a person who has a material interest in the Responsible Entity or a related body corporate.

The Board regularly assesses those relationships that may affect independence.

## 5. Conduct of the Board

### 5.1. Code of Conduct

Directors are required to act with honesty, decency and integrity at all times and in a manner consistent with the Responsible Entity's values and Code of Conduct.

The Responsible Entity has adopted the Wesfarmers Code of Conduct. This Code applies to all officers and employees of the Responsible Entity. Material breaches of the Code are reported to the Board and may result in disciplinary measures.

### 5.2. Securities dealing

Directors must comply with the Responsible Entity's Securities Dealing Policy.

### 5.3. Conflicts of interest

Each director has a fiduciary and statutory duty not to place themselves in a position which gives rise to, or is perceived to give rise to, a real or substantial possibility of conflict, whether it be a conflict of interest or conflict of duties.

Directors are required to disclose:

- a) any material personal interest in a matter that relates to the affairs of the Responsible Entity or the Trust
- b) any matter or circumstance that may result in a conflict or potential conflict of interest.

The procedures for disclosure and management of conflicts are contained in the Directors' Conflict of Interests Policy.

A Conflicts Management Policy contains the procedures for disclosure and management of conflicts of interest that may arise in relation to the provision of financial or other services by the Responsible Entity and its related parties.

#### **5.4. Other appointments**

Directors are required to consult with the Chairman prior to acceptance of directorships of another company or taking up an appointment, position or office.

#### **5.5. Independent professional advice**

- a) Subject to prior approval of the Chairman, directors may obtain independent professional advice on matters arising in the course of their Board duties.
- b) Directors will be entitled to reimbursement of all reasonable costs in obtaining such advice.

#### **5.6. Security-holding requirement**

Directors may hold securities in the Trust if they choose, subject to compliance with the Securities Dealing Policy.

There is no minimum security-holding requirement for directors.

### **6. Company Secretary**

- a) Appointment and removal of the Company Secretary is subject to Board approval
- b) The Company Secretary is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board
- c) Each director has the right of access to the Company Secretary at all times
- d) The role of the Company Secretary includes:
  - i. advising the Board and its Committees on governance matters
  - ii. monitoring that Board and Committee policies and procedures are followed
  - iii. co-ordinating Board and Committee business including agendas, papers, minutes and filings in a timely manner
  - iv. ensuring that the business of Board and Committee meetings is accurately captured in the minutes
  - v. helping to organise and facilitate the induction and professional development of directors
  - vi. overseeing a process that ensures directors receive copies of material market announcements after they are made.

### **7. Proceedings of meetings**

#### **7.1. Frequency of meetings**

The Board holds at least six meetings each year. Site visits to selected Trust-owned properties are held every year.

#### **7.2. Quorum and voting**

Unless otherwise determined by the Board, a quorum for a Board meeting is two external directors. Board decisions may be made by a simple majority of votes of directors present and voting. The Chairman does not have a casting vote.

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

### **7.3. Agendas and papers**

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.

Board papers are required to be circulated to directors in a timely manner in accordance with Board approved procedures.

### **7.4. Minutes**

Draft minutes are prepared promptly after meetings, provided to the Chairman for review, and circulated to all directors for review and approval.

Approved minutes will be entered into the minute book in accordance with the Corporations Act and Board approved procedures.

### **7.5. Confidentiality**

The directors acknowledge that all proceedings of the Board and its committees are strictly confidential and will not be disclosed to any person other than the Board members, except as agreed by the Board or as required by law.

## **8. Reviews**

### **8.1. Board performance**

At least once every two years, the Board will ensure that an evaluation is conducted of the performance of the Board, its Committees and individual directors and the governance processes which support the Board.

### **8.2. Charter**

The Charter will be reviewed by the Board as and when required, but not less than once every three years. A copy of this Charter is maintained on the Trust's website.

*Approved by the Board on 24 June 2020*