



Newmark

Newmark Property REIT Target's Statement

This Target's Statement has been issued by Newmark REIT Management Limited (ACN 644 715 382) as responsible entity for Newmark Property REIT in response to the off-market takeover offer to acquire 100% of Newmark Property REIT by BWP Management Limited (ACN 082 856 424) as responsible entity for BWP Trust.

**YOUR INDEPENDENT DIRECTORS
UNANIMOUSLY RECOMMEND THAT YOU**

ACCEPT

the Offer in the absence of
a Superior Proposal.

**THIS IS AN IMPORTANT DOCUMENT AND
REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt about how to deal with this document, you should consult your financial, legal, taxation or other professional adviser immediately.

Newmark REIT Management Limited
(ACN 644 715 382) as responsible entity
for Newmark Property REIT

Financial adviser

Legal adviser

Morgan Stanley



**HERBERT
SMITH
FREEHILLS**



Important Notices

Nature of this document

This document is a Target's Statement issued by Newmark REIT Management Limited (ACN 644 715 382) as responsible entity for each of Newmark Capital (Chadstone) Property Trust and Newmark Hardware Trust under Part 6.5 Division 3 of the Corporations Act in response to the off-market takeover bid made by BWP Management Limited (ACN 082 856 424) as responsible entity for BWP Trust for all NPR Securities.

A copy of this Target's Statement was lodged with ASIC and given to ASX on 7 February 2024. Neither ASIC nor ASX nor any of their respective officers take any responsibility for the content of this Target's Statement.

No account of personal circumstances

This Target's Statement does not take into account your individual objectives, financial situation or particular needs. It does not contain personal advice. The NPR Directors encourage you to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

Responsibility for BWP information

The information on BWP, BWPM and BWP Units contained in this Target's Statement has been prepared by NPR using publicly available information. The information in the Target's Statement concerning BWPM and BWP Trust and their assets and liabilities, financial position and performance, profits and losses and prospects, has not been independently verified by NPR. Accordingly, NPR does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Responsibility statement

The information in this Target's Statement has been prepared by NPR and is the sole responsibility of NPR, except for Appendix A of this Target's Statement. Appendix A has been prepared by SW Accountants & Advisors and is the sole responsibility of SW Accountants & Advisors.

None of NPR, any related entity of NRML, the officers of NRML or the officers and employees of any related entity of NRML, the other persons named in this Target's Statement with their consent and the persons involved in the preparation of this Target's Statement (other than SW Accountants & Advisors in respect of Appendix A of this Target's Statement) assumes any responsibility for the accuracy or completeness of Appendix A of this Target's Statement).

Disclaimer as to forward looking statements

Some of the statements appearing in this Target's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which NPR operates as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. None of NPR, NRML's officers, the officers or employees of any related entity of NRML, any persons named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

Foreign jurisdictions

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the laws and regulations outside Australia.

Charts, diagrams and rounding

Any diagrams, charts, maps, graphs and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available at the date of this Target's Statement.

A number of amounts, percentages, prices, estimates and other figures in this Target's Statement are subject to the effect of rounding. Accordingly, actual numbers may differ from those set out in this Target's Statement.

Privacy

NPR has collected your information from the NPR register of securityholders for the purpose of providing you with this Target's Statement. The type of information NPR has collected about you includes your name, contact details and information on your securityholding in NPR. Without this information, NPR would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of securityholders to be held in a public register. Your information may be disclosed on a confidential basis to NRML's related bodies corporate and external service providers (such as the share registry of NPR and print and mail service providers) and may be required to be disclosed to regulators such as ASIC. If you would like details of information held about you by NPR, please contact Boardroom Pty Limited at the address shown in the Corporate Directory. NPR's privacy policy is available at <https://newmarkcapital.com.au/?s=privacy+policy>. The registered address of NPR is Level 17, 644 Chapel Street, South Yarra VIC 3141.

Defined terms

A number of defined terms are used in this Target's Statement. These terms are explained in Section 10 of this Target's Statement. In addition, unless the contrary intention appears or the context requires otherwise, words and phrases used in the Corporations Act have the same meaning and interpretation as in the Corporations Act.

NPR Securityholder Information Line

NPR has established a securityholder information line which NPR Securityholders may call if they have any queries in relation to the Offer. The telephone number for the securityholder information line is 1300 255 218 (for calls made from within Australia) or +61 2 9066 4084 (for calls made from outside Australia). Calls to the NPR Securityholder Information Line may be recorded.

Key Dates

Important dates

Date of this Target's Statement	7 February 2024
Offer Period opens	8 February 2024
Close of the Offer Period (unless extended or withdrawn)	7:00pm (Sydney time) 21 March 2024
Expected record date for BWP's 2H24 distribution	28 June 2024

Table of Contents

How to accept the Offer	2	5. Your choices as a NPR Securityholder.	28
Chairman's letter	4	6. Information about the Offer.	31
Evaluation of the Offer	6	7. Information relating to NPR.	39
IBC recommendation and NPR Director intention to accept the Offer	7	8. Risk factors	48
1. Frequently asked questions.	8	9. Additional information	54
2. Reasons to accept the Offer	15	10. Glossary and interpretation	59
3. Possible reasons for not accepting the Offer.	22	11. Authorisation	65
4. IBC recommendation and NPR Director interests	25	Appendix A: Taxation report.	67
		Corporate directory	IBC



How to accept the Offer

NPR Securityholders who wish to ACCEPT the Offer should refer to Section 15.6 of the Bidder's Statement for instruction on how to do so.

How you accept the Offer depends on whether your NPR Securities are held in an Issuer Sponsored Holding or a CHESS Holding (your personalised Acceptance Form outlines which type of holding you have).

In all cases, your acceptance of the Offer must be received before the end of the Offer Period, which is 7:00pm on 21 March 2024, unless extended.

Securityholder	How to accept
Issuer sponsored securityholders (holder number beginning with "I")	<p>To accept the Offer, may either:</p> <ul style="list-style-type: none"> (a) complete and sign the Acceptance Form enclosed in the Bidder's Statement and return it to the address indicated on the form before the end of the Offer Period; or (b) accept the Offer online, by logging into the Offer website (www.bwpoffer.com.au), following the instructions, selecting the "Accept" option and submitting your acceptance before the end of the Offer Period.
CHESS sponsored securityholders (holder number beginning with "X")	<p>To accept the Offer, you may either:</p> <ul style="list-style-type: none"> (a) complete and sign the Acceptance Form enclosed in the Bidder's Statement and return it to the address indicated on the form; or (b) accept the Offer online, by logging into the Offer website (www.bwpoffer.com.au) following the instructions, selecting the "Accept" option and submitting your acceptance before the end of the Offer Period; or (c) instruct your "Controlling Participant" (usually your broker) to accept the Offer on your behalf, <p>in sufficient time to allow your acceptance to be processed before the end of the Offer Period.</p>

If you have any questions on how to accept, please visit the Offer website at www.bwpoffer.com.au or call the securityholder information line on 1300 255 218 (for calls made from within Australia) or +61 2 9066 4084 (for calls made from outside Australia).

The mailing and email addresses for completed Acceptance Forms and any associated documents are as follows:

- **By mail:** GPO Box 52, Melbourne VIC 3001, Australia. or
- **By email:** corpactprocessing@computershare.com.au



Chairman's letter

7 February 2024

Dear NPR Securityholder,

ACCEPT THE OFFER FOR YOUR NPR SECURITIES, IN THE ABSENCE OF A SUPERIOR PROPOSAL

On 24 January 2024, NPR announced that it had entered into a bid implementation deed (**BID**) in relation to a proposed merger with BWP, pursuant to which BWP would offer to acquire all the issued securities of NPR by way of an off-market takeover offer. BWP has today simultaneously released the Bidder's Statement, which contains further details of the Offer. This Target's Statement sets out the NPR Directors' response to the Offer.

Under the Offer, NPR Securityholders have been offered 0.40 BWP Units per NPR Security (**Consideration**). The implied value of the Consideration was \$1.39 per NPR Security based on the closing price of BWP Units of \$3.47 per unit on 23 January 2024 (the closing price immediately prior to announcement of the BID).

NPR Securityholders will retain entitlement to the December 2023 quarterly NPR distribution of 1.9 cents per security, expected to be paid on 9 February 2024. NPR has agreed under the BID not to pay a March 2024 quarterly distribution. However, NPR Securityholders that accept the Offer will be entitled to BWP's distribution for the six months ending 30 June 2024, which is expected to be 9.27 cents per BWP Unit, if the Offer has become unconditional.

The NPR Board established an Independent Board Committee (**IBC**) comprising the Independent Directors, Michael Doble, Melinda Snowden and Andrew Erikson to assess the proposal put forward by BWP. The IBC has carefully considered the Offer, and unanimously recommends that you **ACCEPT** the Offer, in the absence of a Superior Proposal.

Each of the NPR Directors intends to **ACCEPT** the Offer in relation to all NPR Securities they hold or control, in the absence of a Superior Proposal. At the date of this Target's Statement, the NPR Directors hold or control 0.11% of NPR Securities. Additionally, Newmark Group (the parent company of NRML, the responsible entity for NPR), NRML and other entities have entered into a Pre-Bid Acceptance Deed with BWP, in which those persons, that together control over 32.6 million NPR Securities, representing 18.3% of NPR Securities outstanding, have agreed to accept the Offer, subject to certain conditions.¹

The IBC unanimously recommends that you **ACCEPT** the Offer, in the absence of a Superior Proposal because:

1. The implied value of the Consideration of \$1.39 per NPR Security² represents a material premium to the undisturbed trading price of NPR Securities;
 - (a) 43.1% premium to the closing price of NPR Securities of \$0.97 on 23 January 2024;
 - (b) 41.0% premium to the 1-month VWAP of NPR Securities of \$0.98 on 23 January 2024; and
 - (c) 40.9% premium to the 3-month VWAP of NPR Securities of \$0.99 on 23 January 2024
2. The Offer will result in a material increase in portfolio scale to \$3.5 billion, whilst maintaining continued exposure to high quality and complementary assets, with income predominantly derived from Wesfarmers
3. The Offer will result in a significant increase in market capitalisation, liquidity and relevance, with a combined market capitalisation of approximately \$2.5 billion and inclusion in the S&P/ASX 200 Index

1. NRML has also been informed that Newmark Group has entered into a Sale and Purchase Agreement with BWPM (a wholly owned subsidiary of Wesfarmers and BWP's responsible entity) in relation to the acquisition of NRML, the responsible entity for NPR, subject to the Offer being declared unconditional. Under the NRML SPA, BWPM in its own right and from its own funds has agreed to pay Newmark Group \$22.5 million to acquire all the issued capital of NRML. The agreement also provides for certain assistance by the Newmark Group as BWPM effects the orderly handover and transition of management and associated services.

2. Based on the closing price of BWP Units of \$3.47 per unit on 23 January 2024.



4. The Combined Group's gearing will be approximately 23%³ compared to NPR's current gearing of approximately 47%⁴. The Combined Group will also deliver an enhanced credit profile and improved cost of capital relative to NPR on a standalone basis
5. The BWP team has a demonstrated track record of growth and outperformance, delivering total returns of 12.1% p.a. since listing in 1998 (vs. S&P/ASX200 A-REIT accumulation index of 6.6% p.a. over the same period),⁵ with strong Wesfarmers alignment, which holds a 24.75% investment stake in BWP
6. The Offer has the unanimous support of the NPR Directors, and no Superior Proposal has emerged as at the date of this Target's Statement
7. The trading price of NPR Securities may fall if the Offer is unsuccessful and there is no other offer for your NPR Securities

BWPM is a highly qualified and experienced manager, investing in and managing commercial properties throughout Australia including a large number of Bunnings assets, with a long and successful track record, having managed Australia's largest portfolio of Bunnings assets since 1998. The IBC is confident that BWPM will act as an appropriate custodian of capital for NPR Securityholders.

To **ACCEPT** the Offer, follow the instructions in Section 15.6 of the Bidder's Statement and instruct your broker to do so, or complete the Acceptance Form enclosed within the Bidder's Statement (depending on the nature of your holding).

The BWP offer opens 8 February 2024 and is due to close at 7:00pm (Sydney time) on 21 March 2024 (**Offer Period**), unless extended or withdrawn.

Next Steps

The IBC encourages you to read this Target's Statement in its entirety and carefully consider the Offer, having regard to your own personal risk profile, investment strategy and tax position. You should seek independent financial, legal, taxation or other professional advice if you are in any doubt as to what you should do in response to the Offer. You are also strongly encouraged to read the Bidder's Statement.

NPR will keep you informed if there are any material developments in respect of the Offer, through further ASX announcements or other supplementary documents.

I would like to take this opportunity to thank you for your support of NPR.

Yours sincerely,



Michael Doble

Chairman and Independent Non-Executive Director

3. Reflects BWP's pro forma gearing as at 31 December 2023, adjusted for the impacts of the Offer. Gearing calculated as borrowings divided by total assets.

4. Reflects NPR's gearing as at 31 December 2023. Gearing calculated as borrowings divided by total assets.

5. Market data from IRESS as at 23 January 2024.

Evaluation of the Offer

The IBC, comprising the Independent Directors, unanimously recommends that you **ACCEPT** the Offer, in the absence of a Superior Proposal because:

1	The implied value of the Consideration of \$1.39 per NPR Security ⁶ represents a material 43.1% premium to the undisturbed trading price of NPR Securities on 23 January 2024
2	The Offer will result in a material increase in portfolio scale to \$3.5 billion, whilst maintaining continued exposure to high quality and complementary assets, with income predominantly derived from Wesfarmers
3	The Offer will result in a significant increase in market capitalisation, liquidity and relevance, with a combined market capitalisation of approximately \$2.5 billion and inclusion in the S&P/ASX 200 Index
4	The Combined Group's gearing will be approximately 23% ⁷ compared to NPR's current gearing of approximately 47%. ⁸ The Combined Group will also deliver an enhanced credit profile and improved cost of capital relative to NPR on a standalone basis
5	The BWP team has a demonstrated track record of growth and outperformance, delivering a total return of 12.1% p.a. since listing in 1998, with strong Wesfarmers alignment ⁹
6	The Offer has the unanimous support of the NPR Directors, and no Superior Proposal has emerged as at the date of this Target's Statement
7	The trading price of NPR Securities may fall if the Offer is unsuccessful and there is no other offer for your NPR Securities

Certain benefits regarding the Offer outlined above and in Section 2 assume that NPR is ultimately wholly owned and controlled by BWP. If BWP does not acquire at least 90% of NPR Securities during the Offer Period, and therefore does not become entitled to compulsorily acquire the remaining NPR Securities on issue, some of these benefits that would otherwise accrue to NPR Securityholders who have accepted the Offer may not be fully realised.

The decision as to whether or not to **ACCEPT** the Offer depends on the circumstances of each individual NPR Securityholder, including risk profile, portfolio strategy, tax position, financial circumstances and investment time horizon.

If you have any questions in relation to the Offer, please contact the NPR Securityholder Information Line on 1300 255 218 (callers within Australia) or +61 2 9066 4084 (callers outside Australia).

6. Based on the closing price of BWP Units of \$3.47 per unit on 23 January 2024.

7. Reflects BWP's pro forma gearing as at 31 December 2023, adjusted for the impacts of the Offer. Gearing calculated as borrowings divided by total assets.

8. Reflects NPR's gearing as at 31 December 2023. Gearing calculated as borrowings divided by total assets.

9. Wesfarmers holds a 24.75% investment stake in BWP.

IBC recommendation and NPR Director intention to accept the Offer

Directors of NRML

As at the date of this Target's Statement, the Directors of NRML, the responsible entity for NPR, are:

- Michael Doble, Chairman and Independent Non-Executive Director;
- Melinda Snowden, Independent Non-Executive Director;
- Andrew Erikson, Independent Non-Executive Director;
- Christopher Langford, Managing Director; and
- Mark Allan, Non-Executive Director.

The Independent Directors are Michael Doble (Chairman), Melinda Snowden and Andrew Erikson. Together, they comprise the IBC that was formed by NPR to consider the proposal from BWP.

Mr Langford is a Senior Executive of, and substantial shareholder in, Newmark Group, which wholly owns NRML, the responsible entity for NPR. Mr Allan is employed by a private investment firm that is a substantial shareholder in Newmark Group, which wholly owns NRML, the responsible entity for NPR.

Given the potential for conflicts that may arise in this context, neither Mr Langford nor Mr Allan is considered to be an independent director of NRML. Neither Mr Langford nor Mr Allan participated in the decision making of the IBC in relation to the Offer. For the reasons set out above, neither Mr Langford nor Mr Allan gives a recommendation in relation to the Offer.

Recommendation and intentions

The IBC, comprising NPR's Independent Directors (Michael Doble (Chairman), Melinda Snowden and Andrew Erikson), unanimously recommends that you **ACCEPT** the Offer in the absence of a Superior Proposal.

Each NPR Director intends to **ACCEPT** the Offer in respect of NPR Securities they hold or control, in the absence of a Superior Proposal.

In addition, Newmark Group, NRML and other entities controlled by Newmark Group and its directors and shareholders, or controlled by directors of other members of the Newmark Group (including Mr Langford and Mr Allan) (being the **Selling Entities**) have entered into a Pre-Bid Acceptance Deed with BWP, in which the Selling Entities, that together control over 32.6 million NPR Securities, representing 18.3% of NPR Securities outstanding, have agreed to accept the Offer during the Offer Period, subject to certain conditions.

EACH OF YOUR INDEPENDENT DIRECTORS RECOMMENDS THAT YOU ACCEPT THE OFFER IN THE ABSENCE OF A SUPERIOR PROPOSAL AND ALL OF YOUR NPR DIRECTORS AND RELATED PARTIES,¹⁰ THAT COLLECTIVELY HOLD OR CONTROL 18.4% OF NPR SECURITIES, INTEND TO ACCEPT THE OFFER

10. Includes the Newmark Group, NRML and other entities controlled by Newmark Group and its directors and shareholders, or controlled by directors of other members of the Newmark Group.



1.

Frequently asked questions



1. Frequently asked questions

This Section answers some commonly asked questions about the Offer. It is not intended to address all relevant issues for NPR Securityholders. They are qualified by, and should be read in conjunction with, all other parts of this Target's Statement.

Question	Answer	Reference
What is this Target's Statement and why have I received this document?	<p>This Target's Statement is the formal response of the Board of NRML as responsible entity for NPR to the Offer as required by the Corporations Act. This document contains important information regarding the Offer and should be read in its entirety.</p> <p>You have received this Target's Statement because you are an NPR Securityholder.</p> <p>This Target's Statement includes the unanimous recommendation of the IBC to ACCEPT the Offer, in the absence of a Superior Proposal.</p>	Section 6
Who is making the Offer?	<p>The bidder under the Offer is BWP Management Limited (ACN 082 856 424) (AFSL 247830) as responsible entity for BWP Trust (ARSN 088 581 097).</p> <p>Established and listed on ASX in 1998, BWP is an externally-managed real estate investment trust investing in and managing a \$3.0 billion portfolio of commercial properties throughout Australia.</p> <p>The majority of BWP's properties are well-located large format retailing properties, in particular Bunnings Warehouse stores leased to Bunnings.</p>	Section 6.2
What is the Offer?	BWP is offering to acquire 100% of NPR Securities by way of an off-market takeover bid, subject to the satisfaction of the conditions under the Offer.	Section 6.3
Does BWP already have an interest in NPR Securities?	BWP has a relevant interest in 18.3% of NPR's total securities under the Pre-Bid Acceptance Deed under which Newmark Group, NRML and other entities controlled by Newmark Group and its directors and shareholders, or controlled by directors of other members of the Newmark Group, have agreed to accept the Offer, subject to certain conditions.	Section 6.4
What is BWP offering per NPR Security?	<p>Under the Offer, NPR Securityholders are being offered 0.40 BWP Units per NPR Security.</p> <p>The implied value of the Consideration was \$1.39 per NPR Security based on the closing price of BWP Units of \$3.47 per unit on 23 January 2024, which reflects a:</p> <ul style="list-style-type: none"> • 43.1% premium to the closing price of NPR Securities of \$0.97 on 23 January 2024; • 41.0% premium to the 1-month VWAP of NPR Securities of \$0.98 on 23 January 2024; and • 40.9% premium to the 3-month VWAP of NPR Securities of \$0.97 on 23 January 2024. 	Section 6.3

1. Frequently asked questions continued

Question	Answer	Reference
What is BWP offering per NPR Security? <i>continued</i>	<p>NPR Securityholders will retain entitlement to the December 2023 quarterly NPR distribution, expected to be 1.9 cents per security. NPR has agreed under the BID not to pay a March 2024 quarterly distribution. However, NPR Securityholders that accept the Offer will be entitled to BWP's distribution for the six months ending 30 June 2024 (assuming the Offer is accepted sufficiently before the record date for that distribution), which is expected to be 9.27 cents per BWP Unit, if the Offer has become unconditional.</p> <p>If you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder, you will not be provided with BWP Units. Instead, you will receive from the appointed Sale Nominee the net proceeds of the sale of the BWP Units you would have been entitled to.</p>	
What is the Bidder's Statement?	<p>The Bidder's Statement is a document prepared by BWP stating the terms of the Offer and containing other disclosures, required by the Corporations Act. The Bidder's Statement was lodged with ASIC and ASX and released to ASX on 7 February 2024.</p> <p>The Bidder's Statement is being provided to NPR Securityholders at the same time, and as part of the same communication, as this Target's Statement. If you have any queries in relation to the Bidder's Statement, you may contact the BWP Offer Information Line on 1300 262 147 (within Australia) or +61 3 9415 4285 (outside Australia) between 8.30am and 5.00pm (Sydney time), Monday to Friday.</p>	Section 6
What are the key dates?	<ul style="list-style-type: none"> • Offer Period opens: 8 February 2024 • Offer Period closes (unless extended or withdrawn): 7:00pm (Sydney time) 21 March 2024 • Record Date for BWP's 2H24 Distribution: 28 June 2024. If the Offer becomes unconditional, NPR Securityholders that have accepted the Offer will be entitled to this distribution. 	'Key Dates'
What is the Offer Period?	<p>The Offer Period will open 8 February 2024 and close 7:00pm (Sydney time) 21 March 2024 (unless extended or withdrawn).</p>	Section 6.5
What choices do I have as an NPR Securityholder?	<p>As a NPR Securityholder you can take the following actions:</p> <ul style="list-style-type: none"> • Accept the Offer; • Sell your NPR Securities on market (transaction fees may apply); or • Reject the Offer by doing nothing (noting that if BWP acquires a relevant interest in at least 90% of all NPR Securities by the end of the Offer Period, BWP will be entitled and intends to compulsorily acquire any NPR Securities it does not already own). <p>There are several implications in relation to each of the above choices.</p> <p>A summary of these implications is set out in Section 5 of this Target's Statement.</p>	Section 5

Question	Answer	Reference
What are NPR's Independent Directors recommending?	The IBC, comprising the Independent Directors, unanimously recommends you ACCEPT the Offer, in the absence of a Superior Proposal.	Section 4
What do the NPR Directors intend to do with their NPR Securities?	Each NPR Director intends to ACCEPT the Offer in relation to all NPR Securities they hold or control, in the absence of a Superior Proposal. The NPR Directors hold or control 0.11% of NPR Securities. These interests in NPR Securities are set out in Section 4.4 of this Target's Statement.	Section 4.3
Why should I accept the Offer?	The IBC recommends that you ACCEPT the Offer, in the absence of a Superior Proposal, for the reasons stated in Section 2 of this Target's Statement.	Section 2
Why might I not accept the Offer?	Possible reasons for not accepting the Offer are set out in Section 3 of this Target's Statement.	Section 3
What are the risks associated with becoming a BWP Unitholder?	Accepting the Offer and becoming a holder of BWP Units (unless you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder) involves a number of risks, many of which NPR Securityholders are already exposed to. The risks associated with the Offer are detailed in Section 8 of this Target's Statement.	Section 8
How do I accept the Offer?	To ACCEPT the Offer, you need to follow the instructions outlined in Section 15.6 of the Bidder's Statement and on the Acceptance Form.	Section 5.1
How do I reject the Offer?	To reject the Offer, simply do nothing. Please note if BWP acquires a relevant interest in at least 90% of all NPR Securities by the end of the Offer Period, BWP will be entitled and intends to compulsorily acquire any NPR Securities it does not already own. You should also note that if BWP does not become entitled to compulsorily acquire NPR Securities during or at the end of the Offer Period, it may nevertheless subsequently become entitled to exercise general compulsory acquisition rights in relation to NPR Securities under the Corporations Act if BWP obtains a relevant interest in at least 90% of NPR Securities in the future. If BWP acquires less than 90% but more than 50% of NPR Securities and declares the Offer unconditional, you will be exposed to the risks of being a minority securityholder in NPR. Even if BWP acquires less than 50% of NPR Securities, if the conditions of the Offer are satisfied or waived, BWPM will acquire ownership of NRML pursuant to the NRML SPA and will be entitled to appoint the directors of that entity.	Section 5.3
If I accept the Offer, can I withdraw my acceptance?	You may only withdraw your acceptance if, while the Offer remains subject to the conditions of the Offer, BWP varies the Offer in a way that postpones the time when BWP is required to satisfy its obligations by more than one month.	Section 6.13

1. Frequently asked questions continued

Question	Answer	Reference
What are the conditions of the Offer?	<p>The Offer is conditional upon a number of matters contemplated by the terms of the Offer outlined in the Bidder's Statement, including:</p> <ul style="list-style-type: none"> • a minimum 50.1% acceptance condition; • no regulatory actions or restraints; • no material adverse change in relation to NPR; • no prescribed occurrence in relation to NPR; and • a financier change of control consent. <p>BWP may choose to waive certain conditions of the Offer, declare the Offer unconditional and/or extend the Offer Period. BWP may not extend the Offer Period beyond 21 June 2024 without the consent of NPR.</p>	Section 6.7
Can the Offer be withdrawn?	BWP may only withdraw the Offer with written consent of ASIC, which may be given subject to conditions. However, if the Offer closes and some or all of the conditions of the Offer are not satisfied (and have not been waived by BWP), then the Offer will lapse and your acceptance will be void.	Section 6.11
What happens if the conditions of the Offer are not satisfied or waived?	If the conditions of the Offer are not satisfied or waived by the end of the Offer Period, the Offer will lapse. If you had accepted the Offer you will not receive the Consideration, but once the Offer lapses, you will be free to deal with your NPR Securities.	Section 6.8
What happens if BWP increases the value of the Consideration?	<p>If you ACCEPT the Offer and BWP subsequently increases the value of the Consideration, you will receive the increased Consideration for your NPR Securities.</p> <p>However, any increase in the value of the Consideration will not be available to NPR Securityholders who have already sold their NPR Securities on ASX.</p>	Section 6.16
When will I receive the Consideration?	If the Offer becomes unconditional, accepting NPR Securityholders will be issued the Consideration within 5 Business Days of the later of acceptance and the Offer becoming unconditional.	Section 6.14
Can BWP vary the Offer?	Yes. BWP can vary the Offer by extending the Offer Period, increasing the Consideration or waiving the conditions of the Offer in accordance with the Corporations Act. However, BWP has no obligation to do so. BWP may not extend the Offer Period beyond 21 June 2024 without the consent of NPR.	Section 6.10

Question	Answer	Reference
What happens if there is a Superior Proposal from a third party?	<p>If there is a Superior Proposal from a third party, the IBC will reconsider their recommendation in relation to the Offer and advise NPR Securityholders accordingly.</p> <p>Under the terms of the BID, BWP will have an opportunity to put forward a revised proposal under the matching rights process.</p> <p>If you have already accepted the Offer at that time and a Superior Proposal materialises from a third party, you may be unable to withdraw your acceptance and BWP may waive any outstanding conditions of the Offer, in which case you will be unable to accept the Superior Proposal.</p>	Section 2.6
When will I be updated about the status of the conditions of the Offer?	<p>Section 630 of the Corporations Act requires BWP to give a Notice of Status of Conditions of the Offer not more than 14 days and not less than 7 days before the end of the Offer Period.</p> <p>BWP has indicated that it will give a Notice of Status of Conditions of the Offer on 14 March 2024.</p> <p>If the Offer Period is extended before this date, the Notice of Status of Conditions of the Offer will be given at a later date.</p> <p>If a condition of the Offer is satisfied or waived before the date on which the Notice of Status of Conditions of the Offer is required to be given, BWP must, as soon as practicable, give ASIC, ASX and NPR notice that states that the particular condition of the Offer has been satisfied or waived.</p>	Section 6.9
How will Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders be treated?	<p>If you are (or BWP believes that you are) an Ineligible Foreign Securityholder or Unmarketable Parcel Securityholder and you accept the Offer, you will not receive BWP Units as consideration for your NPR Securities. Instead, BWP will procure, the sale of the relevant BWP Units to which you and all other Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders would have been entitled, and pay the relevant proportion of the net proceeds of sale to you thereafter.</p>	Section 6.15
What are the tax implications if I accept the Offer?	<p>A general outline of tax implications of accepting the Offer is provided in the Taxation Report included in Appendix A to this Target's Statement. As the outline is general in nature and is not addressed to the personal circumstances of NPR Securityholders, you should consult your taxation adviser for detailed taxation advice before making a decision as to whether or not to accept the Offer.</p>	Appendix A
Will I need to pay brokerage or stamp duty if I accept the Offer?	<p>No brokerage or stamp duty will be payable by you as a result of your acceptance of the Offer (unless you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder, in which case the proceeds you will receive will be net of sale expenses). However, if you hold your NPR Securities through a CHESS Holding or through a bank, custodian or other nominee, you should ask your Controlling Participant (normally your stockbroker) or nominee whether it will charge any transaction fees or service charges in connection with acceptance of the Offer.</p>	Section 5.2

1. Frequently asked questions continued

Question	Answer	Reference
Can I accept the Offer for only some of my NPR Securities?	No. You can only ACCEPT the Offer for all of your NPR Securities. However, if you hold one or more parcels of NPR Securities as trustee or nominee, you may ACCEPT the Offer as if a separate proposal had been made in relation to each of those parcels and any parcel you hold in your own right.	Section 5.1
Can I sell my NPR Securities on market on ASX?	You can only sell all or some of your NPR Securities on market if you have not accepted the Offer in respect to those NPR Securities. However, you will likely incur brokerage charges and, if you sell on market, will not be able to participate in any Superior Proposal for NPR Securities if such a proposal is made, or in any increase in the Consideration that may be made by BWP. Additionally, the tax outcome from selling some or all of your NPR Securities on market for cash may be different to accepting the Offer.	Section 5.2
Can I be forced to sell my NPR Securities?	<p>You cannot be forced to sell your NPR Securities unless BWP acquires a relevant interest in at least 90% of all NPR Securities by the end of the Offer Period, in which case BWP will be entitled and intends to compulsorily acquire any NPR Securities it does not already own at the close of the Offer.</p> <p>If your NPR Securities are compulsorily acquired in these circumstances, you will receive the same consideration for your NPR Securities that you would have received under the Offer. However, you may not receive the consideration for your NPR Securities until up to approximately 6 to 8 weeks, or potentially longer, after the end of the Offer Period.</p> <p>You should also note that if BWP does not become entitled to compulsorily acquire NPR Securities during or at the end of the Offer Period, it may nevertheless subsequently become entitled to exercise general compulsory acquisition rights in relation to NPR Securities under the Corporations Act if BWP obtains a relevant interest in at least 90% of NPR Securities in the future.</p>	Section 6.17
How can I get updates on the NPR Security or BWP Unit prices?	<p>It is likely that the market trading price of NPR Securities and BWP Units will vary during the Offer Period.</p> <p>You can check the market price for all ASX listed securities by visiting www.asx.com.au. The ticker for NPR Securities on ASX is NPR and the ticker for BWP Units on ASX is BWP.</p>	Section 9.4
Who should I contact for further information?	<p>If you have any further questions in relation to the Offer, you can call the NPR Securityholder Information Line on 1300 255 218 (callers within Australia) or +61 2 9066 4084 (callers outside Australia) between 9.00am and 5.00pm (Sydney time), Monday to Friday (excluding national public holidays).</p> <p>Any telephone calls to these numbers will, as required by the Corporations Act, be tape recorded, indexed and stored.</p> <p>If, however, you are in any doubt about how to deal with this document, you should contact your broker, financial adviser or legal adviser.</p>	'Evaluation of the Offer'



2.

Reasons to accept the Offer



2. Reasons to accept the Offer

1. The implied value of the Consideration represents a material 43.1% premium to the undisturbed trading price of NPR Securities

Under the Offer, NPR Securityholders will be offered 0.40 BWP Units per NPR Security.

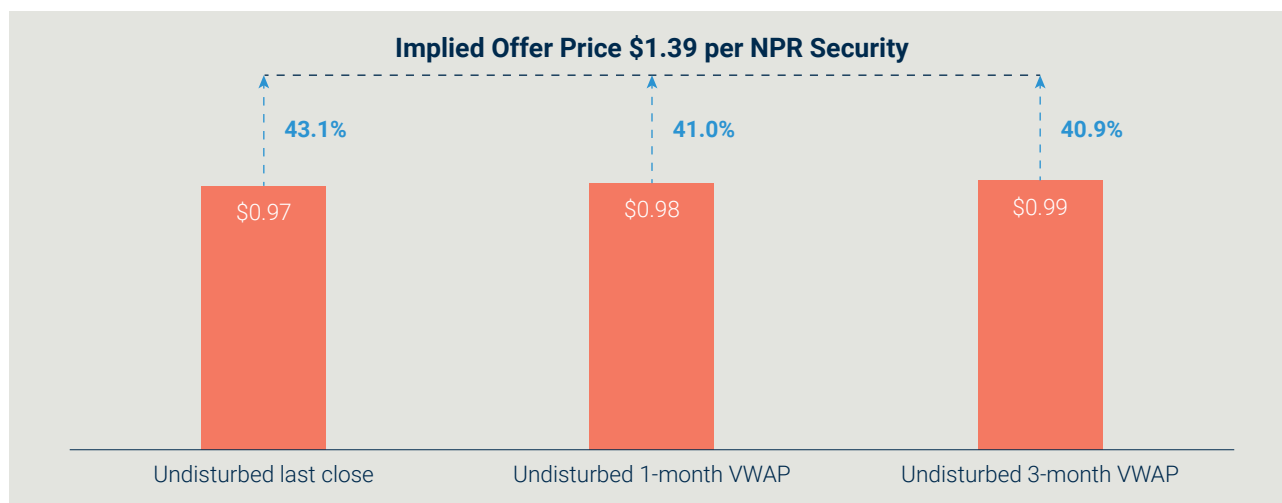
The implied value of the Consideration was \$1.39 per NPR Security based on the closing price of BWP Units of \$3.47 per unit on 23 January 2024, which reflects a:

- 43.1% premium to the closing price of NPR Securities of \$0.97 on 23 January 2024;
- 41.0% premium to the 1-month VWAP of NPR Securities of \$0.98 on 23 January 2024; and
- 40.9% premium to the 3-month VWAP of NPR Securities of \$0.99 on 23 January 2024.

NPR Securityholders will retain entitlement to the December 2023 quarterly NPR distribution of 1.9 cents per security, expected to be paid on 9 February 2024. NPR has agreed under the BID not to pay a March 2024 quarterly distribution. NPR Securityholders that accept the Offer will be entitled to BWP's distribution for the six months ending 30 June 2024 (assuming the Offer is accepted sufficiently before the record date for that distribution), which is expected to be 9.27 cents per BWP Unit, if the Offer has become unconditional.

BWP Units to be issued to NPR Securityholders under the Offer will rank equally with all other existing BWP Units.

Implied Consideration Premiums¹¹



As the Consideration offered to NPR Securityholders comprises BWP Units, the implied value of the Consideration at any point in time during the Offer Period will change based on changes in the ASX trading price of BWP Units over that period.

11. Implied Offer price based on the closing price of BWP Units of \$3.47 per unit on 23 January 2024. Offer premiums based on the closing price of NPR Securities on 23 January 2024.

2. The Offer will result in a material increase in portfolio scale, whilst maintaining continued exposure to high quality and complementary assets, with income predominantly derived from Wesfarmers

The Offer provides NPR Securityholders becoming investors in the Combined Group with an enhanced investment proposition relative to NPR on a standalone basis, delivering:¹²

- a significant increase in portfolio scale, with a combined portfolio size of approximately \$3.5 billion;
- continued exposure to a high quality and complementary portfolio, with income predominantly derived from Wesfarmers (a highly defensive income stream with 82.0% Wesfarmers covenant and 97.8% occupancy);
- improved growth prospects, with the proportion of property leases with CPI reviews increasing from 12.2% to 46.6%; and
- a lower management expense ratio (NPR's MER of 0.88% compared to BWP's MER of 0.65%).¹³

	BWP	NPR	Combined Group
Portfolio Metrics (as at 31 December 2023)			
No. of properties (#)	75	9	84
Portfolio value (\$m)	2,973	572	3,545
WACR (%) ¹⁴	5.53%	5.37%	5.51%
Occupancy (%) ¹⁵	97.4%	100.0%	97.8%
WALE (years) ¹⁶	3.6	5.7	3.9
Gross lettable area (sqm)	1,026,832	165,126	1,191,958
Like-for-like rental growth (%) ¹⁷	4.8%	3.9%	4.7%
CPI exposure (%) ¹⁸	53.2%	12.2%	46.6%
Balance Sheet Metrics (as at 31 December 2023)			
Gearing (%) ¹⁹	17.1%	46.9%	22.7%
Available liquidity (\$m) ²⁰	184.2	4.0	164.2

12. On the basis of a 100% acquisition of NPR by BWP.

13. Trust expenses other than property outgoings and borrowings as a percentage of average total assets.

14. Weighted by value as at 31 December 2023.

15. BWP and Combined Group metrics calculated and/or weighted using base rent. NPR metrics calculated and/or weighted using gross passing income.

16. BWP and Combined Group metrics calculated and/or weighted using base rent. NPR metrics calculated and/or weighted using gross passing income.

17. BWP and Combined Group like-for-like rental growth compares the base rent income at the end of the period to the base rent at the end of the previous corresponding period, but excludes any properties acquired, divested, vacated, developed or upgraded during or since the previous corresponding period. NPR like-for-like rental growth compares the gross passing income at the end of the period to the gross passing income at the end of the previous corresponding period, but excludes any properties acquired, divested, vacated, developed or upgraded during or since the previous corresponding period.

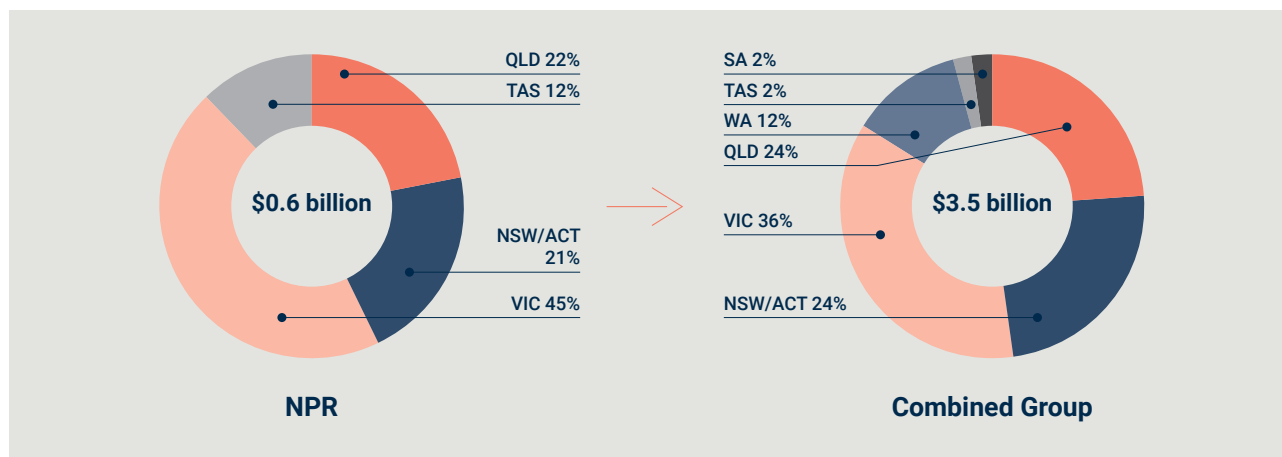
18. BWP and Combined Group metrics calculated and/or weighted using base rent. NPR metrics calculated and/or weighted using gross passing income.

19. BWP and Combined Group gearing calculated as borrowings divided by total assets. NPR gearing calculated as interest bearing liabilities less cash divided by total tangible assets less cash.

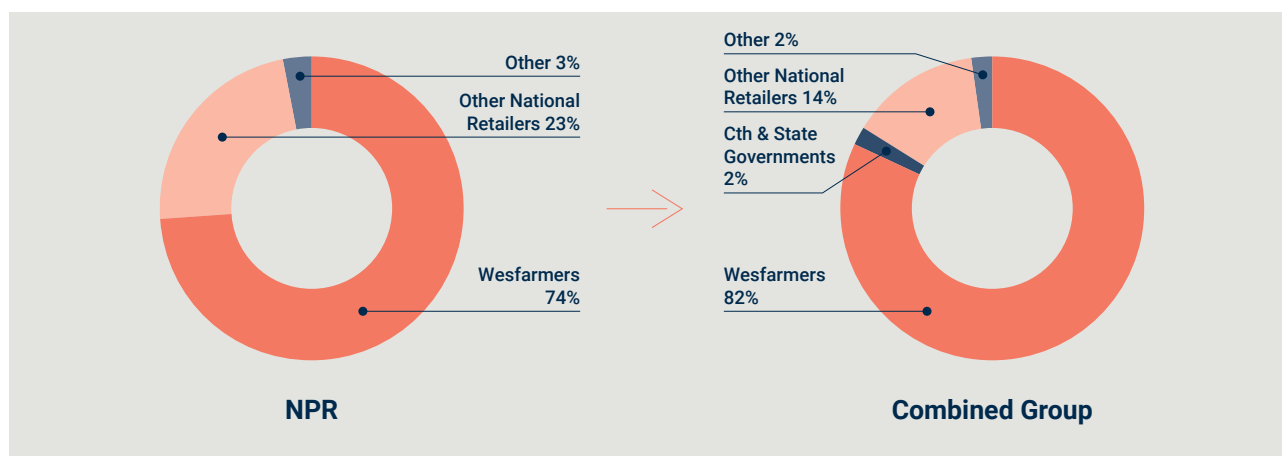
20. Calculated as available headroom in existing debt facilities plus cash. NPR has nil headroom under its debt facility, but has a cash balance of \$4.0 million as at 31 December 2023. Combined Group available liquidity adjusted for transaction costs of \$24.0 million.

2. Reasons to accept the Offer continued

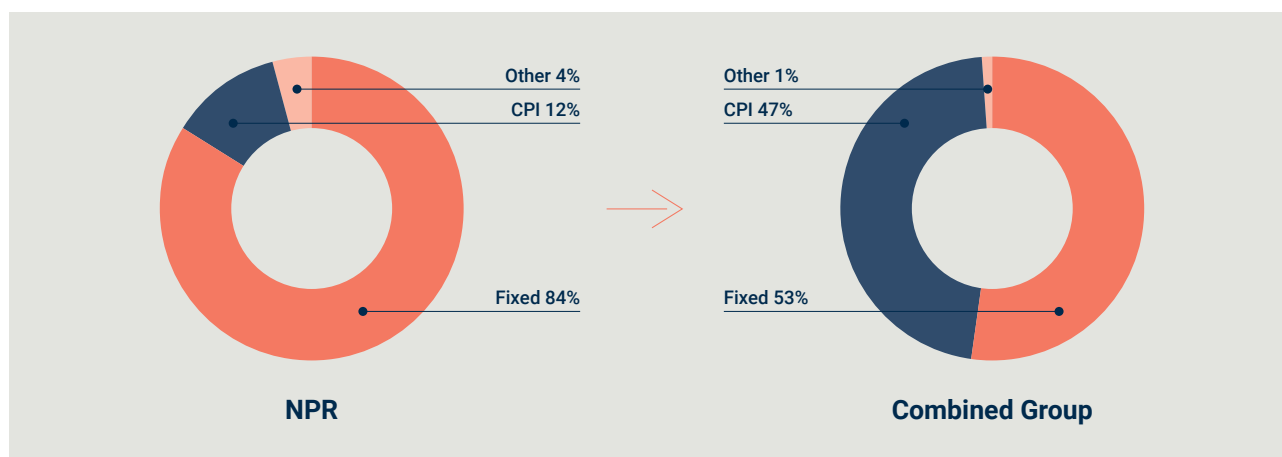
Portfolio Size & Geographic Diversification²¹



Top Tenants Exposure²²



Rent Review Mix²³



21. By value as at 31 December 2023.

22. Combined Group metrics calculated and/or weighted using base rent. NPR metrics calculated and/or weighted using gross passing income.

23. Combined Group metrics calculated and/or weighted using base rent. NPR metrics calculated and/or weighted using gross passing income.

3. The Offer will result in a significant increase in market capitalisation, liquidity and relevance

The Offer will deliver a significant increase in market capitalisation, with the Combined Group having a market capitalisation of approximately \$2.5 billion compared to NPR's current market capitalisation of approximately \$172 million.²⁴ BWP is currently included in the S&P/ASX 200 Index, providing increased relevance and liquidity as NPR Securityholders who accept the Offer can trade securities in a larger, more liquid and more attractive Combined Group.

	NPR	Combined Group	Change
Market Capitalisation	\$172 million ²⁵	\$2,476 million ²⁶	14x
3 Month Average Daily Value Traded	\$116k ²⁷	\$3,585k ²⁸	31x
S&P/ASX 200 & 300 Index Inclusion	✗	✓	

4. The Combined Group's gearing will be approximately 23% compared to NPR's current gearing of approximately 47%

As at 31 December 2023, NPR's gearing of approximately 47% is above its target gearing range of 30% – 40% but below its loan to value covenant of 55.0%, compared to BWP's 31 December 2023 gearing of approximately 17%. Similarly, as at 31 December 2023, NPR's interest coverage ratio of 2.2x is close to its covenant of 2.0x compared to BWP's 31 December 2023 interest coverage ratio of 6.5x.

The Offer provides accepting NPR Securityholders with an enhanced capital profile compared to NPR on a standalone basis. The Offer will result in:

- a reduction in gearing from approximately 47%²⁹ to approximately 23%;³⁰
- an improved funding and capital structure due to BWP's credit rating (A– S&P/A3 Moody's) and scale; and
- the diversification of sources of debt, with a broad range of lenders.

NPR's gearing, in conjunction with nil headroom under its debt facility,³¹ is a material constraint on NPR's financial flexibility and limits access to growth opportunities. In the absence of the Offer, NPR may have to consider addressing these issues through selling assets, subject to financier consent, and/or raising equity to increase its financial capacity, which may not result in optimal outcomes for NPR and NPR Securityholders and, in any event, would take time to implement.

24. Represents NPR's undisturbed market capitalisation as at 23 January 2024.

25. Represents NPR's undisturbed market capitalisation as at 23 January 2024.

26. Represents the Combined Group's undisturbed market capitalisation as at 23 January 2024.

27. Represents NPR's undisturbed 3-month average daily value traded as at 23 January 2024.

28. Represents BWP's undisturbed 3-month average daily value traded as at 23 January 2024.

29. Reflects NPR's gearing as at 31 December 2023. Gearing calculated as total drawn borrowings less cash divided by total assets less cash.

30. Reflects BWP's pro forma gearing as at 31 December 2023, adjusted for the impacts of the Offer. Gearing calculated as borrowings divided by total assets.

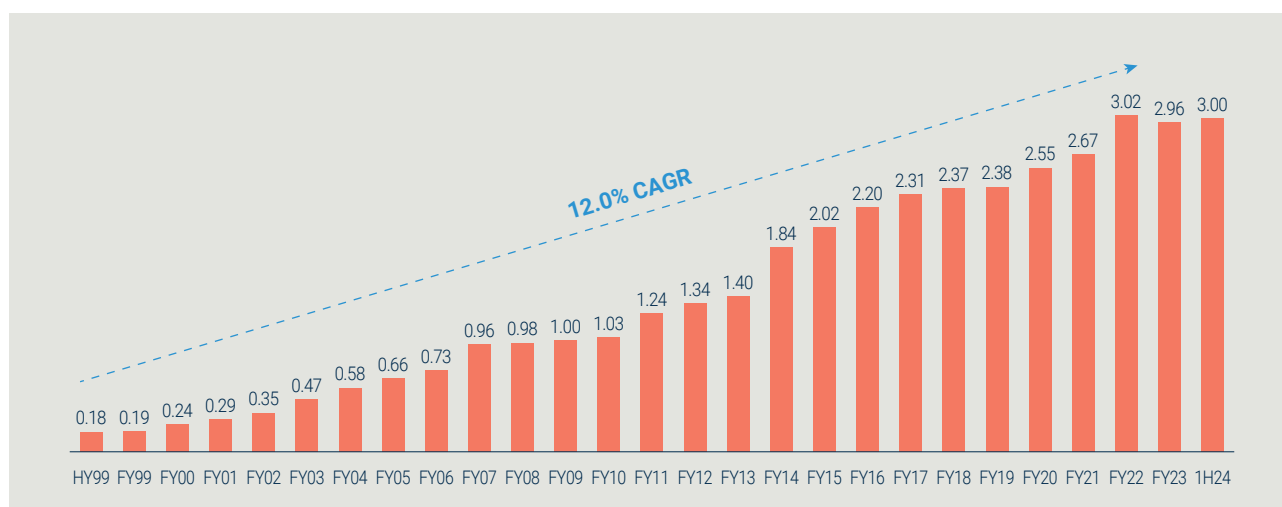
31. Reflects only NPR's debt facility headroom. NPR has a cash balance of \$4.0 million as at 31 December 2023.

2. Reasons to accept the Offer continued

5. The BWP team has a demonstrated track record of growth and outperformance, with strong Wesfarmers alignment

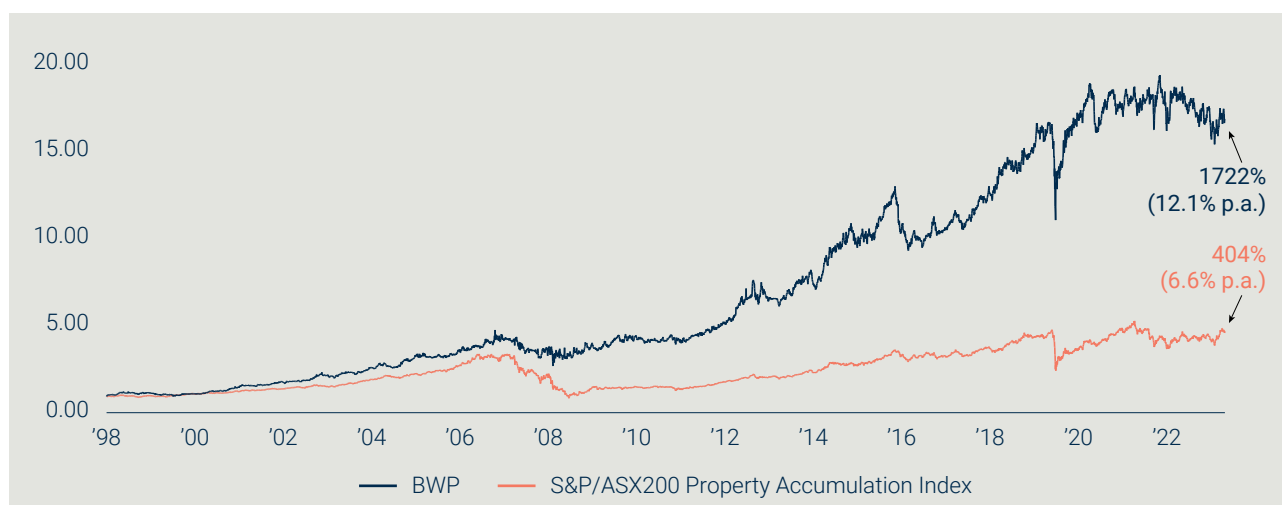
BWP's objective is to provide unitholders with a secure and growing income stream and long-term capital growth. BWP has an experienced Board and Management team that have consistently grown total assets for the last 25 years. Since listing in 1998, BWP's total unitholder return has been 12.1% p.a. (vs. S&P/ASX200 A-REIT accumulation index of 6.6% p.a.).³² Wesfarmers has maintained strong alignment since listing BWP through a sizeable investment stake of ~24.75% in BWP.

BWP Total Assets Since Listing (\$ billion)



BWP Total Unitholder Return Since Listing³³

BWP vs S&P/ASX200 Property Accumulation Index



32. Market data from IRESS as at 23 January 2024.

33. Market data from IRESS as at 23 January 2024.

6. The Offer has the unanimous support of the NPR Directors, and no Superior Proposal has emerged as at the date of this Target's Statement

At the date of this Target's Statement, the NPR Directors hold or control 0.11% of NPR Securities and intend to accept the Offer in the absence of a Superior Proposal.

As at the date of this Target's Statement, NPR has not received any Superior Proposal from a third party, nor have any discussions occurred that the IBC nor any other NPR Directors believe are likely to lead to any Superior Proposal being made.

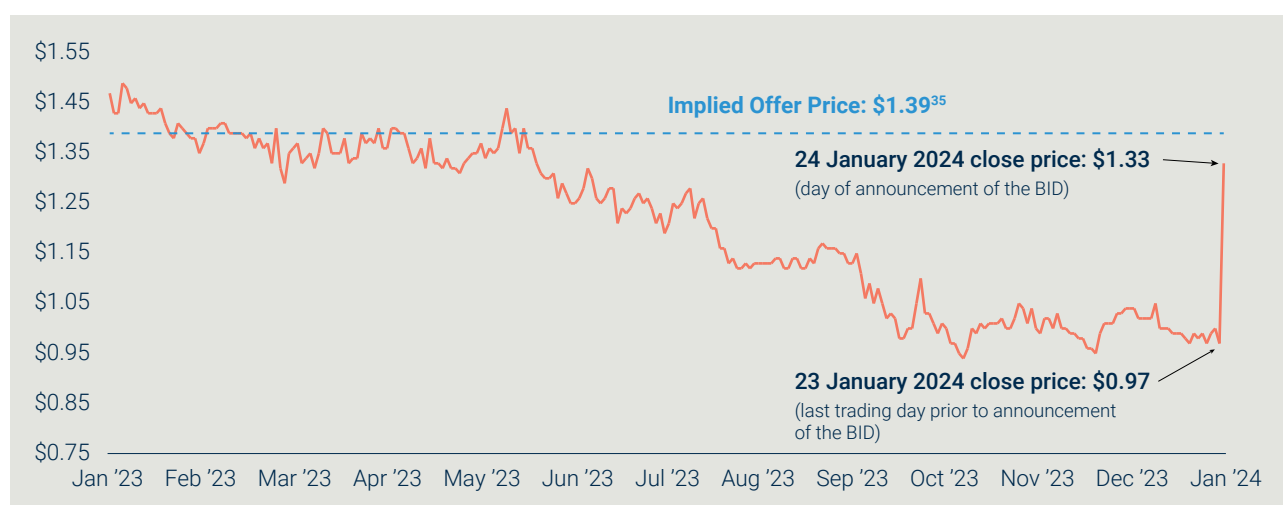
Were NPR to receive a Competing Proposal after the date of this Target's Statement, the IBC would need to consider all aspects of the proposal in determining whether it is superior to the Offer.

7. The trading price of NPR Securities may fall if the Offer is unsuccessful and there is no other offer for your NPR Securities

The closing price of NPR Securities on 6 February 2024 was \$1.31. This is significantly above the closing price of NPR Securities on 23 January 2024, being the last trading day prior to announcement of the execution of the BID, which was \$0.97, and the recent historic NPR Security price as shown in the chart below.

NPR Security Price Performance³⁴

NPR Security Price Last 12 Months



If the Offer is unsuccessful and if no Superior Proposal emerges, the IBC believes that it is likely that the NPR Security price will trade below the implied value of the Offer.

You should note that there are also risks associated with accepting and not accepting the Offer. Details of the risks associated with accepting and not accepting the Offer are contained in Section 11.3 of the Bidder's Statement and Section 8.2 of this Target's Statement.

34. Market data from IRESS as at 24 January 2024.

35. Based on the closing price of BWP Units of \$3.47 per unit on 23 January 2024.



3.

Possible reasons for not accepting the Offer



3. Possible reasons for not accepting the Offer

This Section sets out some reasons why you may choose not to follow the unanimous recommendation of the IBC to **ACCEPT** the Offer and instead reject the Offer.

1. You may wish to remain a NPR Securityholder

If you accept the Offer and the Offer is or becomes unconditional, you will no longer be entitled to participate in the future financial performance of NPR as a standalone entity or to exercise the rights of a NPR Securityholder.

If you reject the Offer and the Offer is, or becomes unconditional, you should note that once BWP has control, it may alter the financial policies of NPR which may affect the amount and frequency of distributions to NPR Securityholders. This may occur where BWP has ownership of 50.1% of NPR Securities or where BWPM acquires ownership of NRML pursuant to the NRML SPA (which may occur even if BWP acquires less than 50% of NPR Securities, if the conditions of the Offer are satisfied or waived).

If BWP holds a relevant interest in at least 90% of all NPR Securities during or at the end of the Offer Period, BWP will be entitled to compulsorily acquire the NPR Securities that it does not already own (as it intends to do: see Section 7.3 of the Bidder's Statement). Refer to Section 6.17 of this Target's Statement for details on compulsory acquisition, including in relation to the general compulsory acquisition provisions which may become relevant in the future following the end of the Offer Period.

2. You may disagree with the IBC's recommendation

You may hold a different view to the IBC and believe that the implied value of the Consideration under the Offer is inadequate.

While the implied value of the Consideration represents a material 43.1% premium to NPR's undisturbed closing price on 23 January 2024, it does represent a 17.2% discount to NPR's 31 December 2023 NTA of \$1.68 per security (or 10.7% discount if the Offer is valued based on the equivalent NTA received in the Combined Group of \$1.50 per security). The Offer will also result in some dilution to distribution per security for NPR Securityholders. This discount and dilution are reflective of BWP's larger scale and lower gearing.

	FY24 Forecast DPU	31 December 2023 NTA
NPR standalone (per NPR Security)	7.6 cpu	\$1.68
Combined Group (per BWP Unit)	18.3 cpu	\$3.75
NPR equivalent security in Combined Group³⁶	7.3 cpu	\$1.50

The IBC believes the strategic, financial benefits and other aspects of the Offer, as outlined in Section 2, sufficiently mitigate the associated discount to NTA and dilution to distributions.

You may also believe that an alternative transaction, such as a sale of NPR's assets and a return of the net cash proceeds to NPR Securityholders would deliver a superior outcome to the Offer.

In forming its recommendation in relation to the Offer, the IBC has considered a range of alternative options to the Offer, including continuing NPR's strategy as a standalone entity, or the sale of all properties and winding-up of the trusts, and remains of the view that the Offer represents the best opportunity for NPR Securityholders at this time. Under NPR's debt facilities, NPR is not permitted to dispose of any of its property portfolio without financier consent. Moreover, a sale of the entire portfolio within a short period of time is not commercially desirable and would be unlikely to result in full value being achieved for the portfolio's assets.

36. Based on the Consideration under the Offer of 0.40 BWP Units per NPR Security.

3. Possible reasons for not accepting the Offer continued

3. You may want to sell your NPR Securities on market and receive an all-cash payment for them

You may not wish to remain a NPR Securityholder, or become a BWP Unitholder pursuant to the Offer, and may instead wish to cash out your investment in NPR on market if you expect the resultant proceeds may be higher or more certain. If you sell your NPR Securities on market, you:

- will lose the ability to accept the Offer or any other proposal which may eventuate;
- will not be entitled to receive any increased consideration if the Consideration is increased by BWP;
- may receive more or less for your NPR Securities than the implied value of the Consideration;
- may incur a brokerage charge;
- will receive the consideration for your NPR Securities sooner than if you accept the Offer while it is still subject to the conditions of the Offer; and
- will not be able to choose to apply the scrip for scrip CGT roll-over relief, which may apply to the Offer.

4. The tax consequences of the Offer may not be suitable to your financial position

As set out in Appendix A of this Target's Statement, acceptance of the Offer by NPR Securityholders is likely to have tax implications. You should carefully read and consider the taxation consequences of accepting the Offer. NPR Securityholders should not rely on the disclosure of taxation considerations in Section 10 of the Bidder's Statement or the Taxation Report that is included in this Target's Statement as being advice on their own affairs.

As the outline is general in nature and is not addressed to the personal circumstances of NPR Securityholders, NPR Securityholders should consult with their own independent taxation advisers regarding the taxation implications of accepting the Offer.

5. You may consider there is the potential for a Superior Proposal to emerge in the foreseeable future

It is possible that a Superior Proposal could emerge in the future. However, as at the date of this Target's Statement, NPR has not received any Superior Proposal from a third party, nor have any discussions occurred that the IBC nor any other NPR Directors believe are likely to lead to any Superior Proposal being made.



4.

IBC recommendation and NPR Director interests



4. IBC recommendation and NPR Director interests

4.1. Directors of NRML

As at the date of this Target's Statement, the Directors of NRML, the responsible entity for NPR, are:

- Michael Doble, Chairman and Independent Non-Executive Director;
- Melinda Snowden, Independent Non-Executive Director;
- Andrew Erikson, Independent Non-Executive Director;
- Christopher Langford, Managing Director; and
- Mark Allan, Non-Executive Director.

The Independent Directors are Michael Doble (Chairman), Melinda Snowden and Andrew Erikson. They together comprise the IBC that was formed by NPR to consider the proposal from BWP.

Mr Langford is a Senior Executive of, and substantial shareholder in, Newmark Group, which wholly owns NRML, the responsible entity for NPR. Mr Allan is employed by a private investment firm that is a substantial shareholder in Newmark Group, which wholly owns NRML, the responsible entity for NPR.

Accordingly, neither Mr Langford nor Mr Allan is considered to be an independent director of NRML under the ASX Corporate Governance Guidelines. In light of the interests and roles of Mr Langford and Mr Allan set out above, neither Mr Langford nor Mr Allan participated in the decision making of the IBC in relation to the Offer.

For the reasons set out above, neither Mr Langford nor Mr Allan gives a recommendation in relation to the Offer.

4.2. IBC recommendation and intentions

The IBC, comprising NPR's Independent Directors (Michael Doble (Chairman), Melinda Snowden and Andrew Erikson), unanimously recommends that you **ACCEPT** the Offer in the absence of a Superior Proposal.

In addition, each Independent Director intends to accept the Offer in respect of all NPR Securities they hold or control, in the absence of a Superior Proposal.

The reasons for this recommendation are set out in Section 2 of this Target's Statement.

In evaluating the Offer, the IBC encourages you to:

- read the whole of this Target's Statement, together with the Bidder's Statement;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- consider your alternatives as outlined in Section 5 of this Target's Statement; and
- if you are in any doubt as to what you should do, seek independent financial, legal, taxation or other professional advice.

4.3. Director intentions

Each NPR Director intends to **ACCEPT** the Offer in respect of NPR Securities they hold or control, in the absence of a Superior Proposal.

Details of the relevant interests of each NPR Director in NPR Securities are set out in Section 4.4 of this Target's Statement.

4.4. Interests and dealings of NPR Directors in NPR Securities

As at the date immediately before the date of this Target's Statement, the NPR Directors had the following relevant interest in NPR Securities:

Director	Number of NPR Securities
Michael Doble	56,530
Melinda Snowden	15,000
Andrew Erikson	50,000
Christopher Langford	48,728
Mark Allan	27,323

No NPR Director has acquired or disposed of a relevant interest in any NPR Securities in the 4-month period ending on the date immediately before the date of this Target's Statement.

4.5. Interests and dealings of NPR Directors in BWP Units

As at the date immediately before the date of this Target's Statement, no NPR Director had a relevant interest in any BWP Units.

No NPR Director has acquired or disposed of a relevant interest in any BWP Units in the 4-month period ending on the date immediately before the date of this Target's Statement.

4.6. Benefits and agreements

Benefits to NPR Directors

As a result of the Offer, no NPR Director has been or will be given any benefit (other than a benefit which can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from the Board, managerial office or related body corporate of NRML.

No NPR Director has agreed to receive, or is entitled to receive, any benefit from BWP which is related to or conditional on the Offer, other than in their capacity as a holder of NPR Securities.

Agreements in connection with or conditional on the Offer

No agreement has been made between any NPR Director and any other person in connection with, or conditional upon, the outcome of the Offer, other than in their capacity as a holder of NPR Securities as disclosed in this Target's Statement.

Interests in contracts with BWP

No NPR Director has any interest in any contract entered into by BWP or BWPM, other than in their capacity as a holder of NPR Securities as disclosed in this Target's Statement or, in relation to Mr Langford and Mr Allan, any indirect interest they may have in the NRML SPA arising from their interests in the Newmark Group, being the entity which, as the owner of 100% of the shares in NRML, will receive the consideration for those shares pursuant to the terms of the NRML SPA as set out in Section 6.4 of this Target's Statement.



5.

Your choices as a NPR Securityholder



5. Your choices as a NPR Securityholder

Under the Offer, NPR Securityholders are offered 0.40 BWP Units per NPR Security.

The implied value of the Consideration was \$1.39 per NPR Security based on the closing price of BWP Units of \$3.47 per unit on 23 January 2024.

As a NPR Securityholder, you have several choices available to you. You are encouraged to consider your personal risk profile, investment strategy, tax position and financial circumstances before making any decision in relation to your NPR Securities.

The IBC unanimously recommends that you **ACCEPT** the Offer, subject to there being no Superior Proposal. The reasons for this recommendation are set out in Section 2.

5.1. Accept the Offer

You may choose to accept the Offer. This is the course of action unanimously recommended by the IBC.

To **ACCEPT** the Offer, you should carefully follow the instructions in Section 15.6 of the Bidder's Statement and instruct your broker to do so, or complete the Acceptance Form enclosed within the Bidder's Statement (depending on the nature of your holding).

If you accept the Offer, you will not be able to sell your NPR Securities to anyone else, accept any Superior Proposal that may emerge, or otherwise deal with your NPR Securities, unless either:

- the Offer is unsuccessful (because for example not all of the conditions of the Offer are satisfied or waived); or
- the Offer Period is extended by a period of more than one month while it is still conditional (refer to Section 6.10 of this Target's Statement for further information).

5.2. Sell your NPR Securities on ASX

You remain free to sell your NPR Securities on market, provided you have not already accepted the Offer.

On 6 February 2024 (the last practicable date prior to the finalisation of this Target's Statement), the closing price for NPR Securities on ASX was \$1.31 per security. The latest price for NPR Securities may be obtained from ASX's website at www.asx.com.au.

If you sell your NPR Securities, you:

- will lose the ability to accept the Offer or any other proposal which may eventuate;
- will not be entitled to receive any increased consideration if the Consideration is increased by BWP or a third party;
- may receive more or less for your NPR Securities than the implied value of the Consideration;
- may incur a brokerage charge;
- will receive the consideration for your NPR Securities sooner than if you accept the Offer while it is still subject to the conditions of the Offer; and
- will not be able to choose to apply the scrip for scrip CGT roll-over relief, which may apply to the Offer.

If you wish to sell your NPR Securities on market, you should contact your broker for information on how to effect that sale. You should also seek your own specific professional advice regarding the taxation consequences of selling your NPR Securities on market.

5. Your choices as a NPR Securityholder continued

5.3. Do nothing and retain your NPR Securities

If you do not wish to accept the Offer and want to retain your NPR Securities, you should simply do nothing.

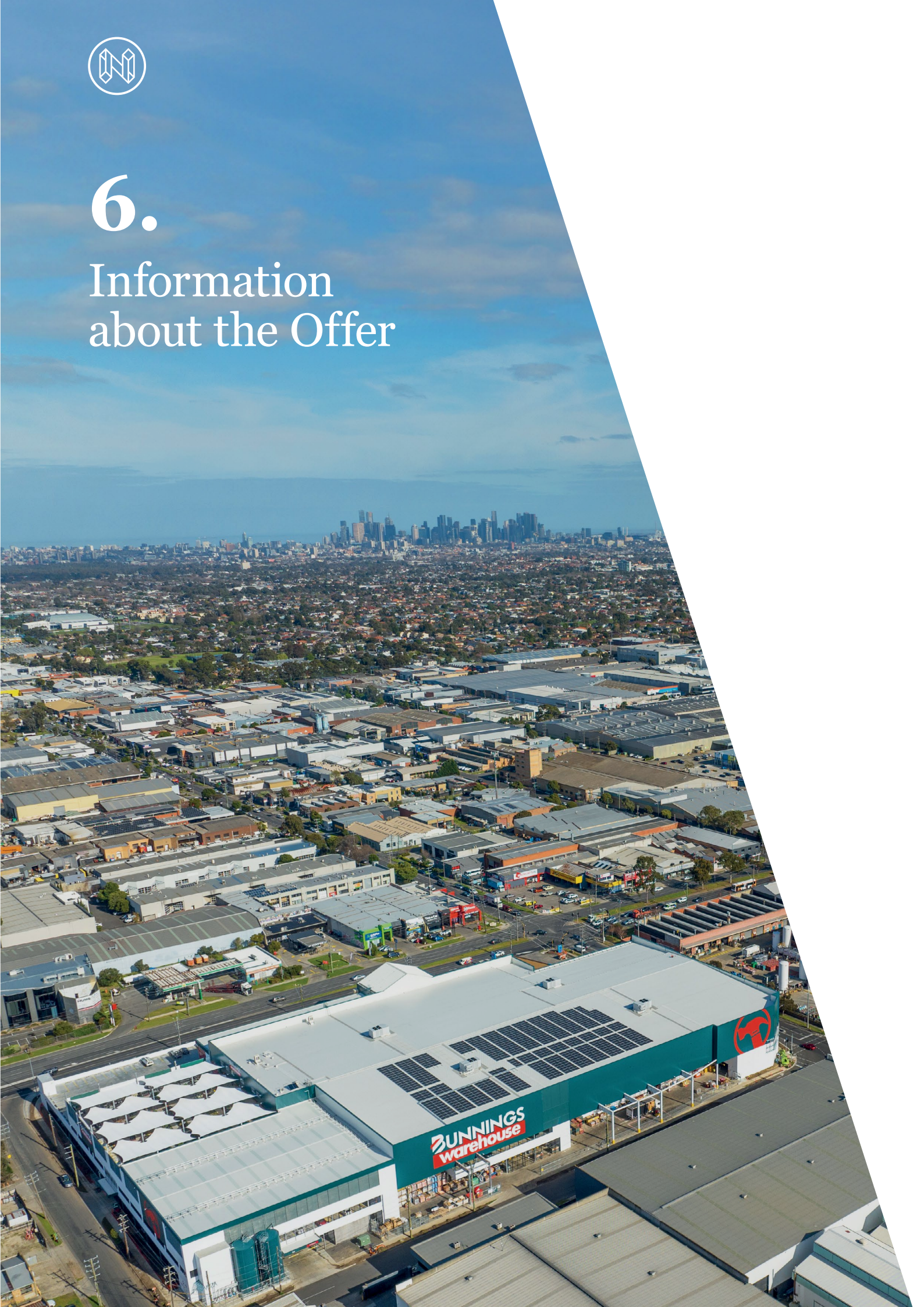
However, you should note that:

- if BWP holds a relevant interest in at least 90% of all NPR Securities during or at the end of the Offer Period, BWP will be entitled to compulsorily acquire the NPR Securities that it does not already own (as it intends to do: see Section 7.3 of the Bidder's Statement). Refer to Section 6.17 of this Target's Statement for details on compulsory acquisition, including in relation to the general compulsory acquisition provisions which may become relevant in the future following the end of the Offer Period; and
- if BWP acquires at least 50.1% of all NPR Securities and does not become entitled to compulsorily acquire your NPR Securities, but all the conditions of the Offer are either satisfied or waived, you will be exposed to the risks of being a NPR Securityholder whereby BWP has control (by owning at least 50.1% of NPR Securities) (see Section 8.2 of this Target's Statement). BWPM may also obtain control of NRML, the responsible entity for NPR, through its acquisition of NRML under the NRML SPA where the Offer is declared unconditional. This may also occur in circumstances where BWP owns less than 50.1% of NPR Securities if BWP waives the 50.1% minimum acceptance condition. Once BWP or BWPM has control, it may alter the financial policies of NPR which may affect the amount and frequency of distributions to NPR Securityholders (see Section 7.4 of the Bidder's Statement).



6.

Information about the Offer



6. Information about the Offer

The information on BWP contained in this Target's Statement has been prepared by NRML from publicly available information that BWP has lodged with ASX, including the Bidder's Statement, and has not independently been verified by NRML.

6.1. Background to the Offer

On 19 December 2023, NPR received an unsolicited, confidential, conditional, non-binding indicative offer from BWP to acquire 100% of NPR Securities for 0.3675 BWP Units per NPR Security (**NBIO**).

The NPR Board established an IBC comprising the Independent Directors, Michael Doble, Melinda Snowden and Andrew Erikson.

The IBC assessed the NBIO, and following an increase in the proposed consideration to 0.40 BWP Units per NPR Security, determined to grant BWP a period of exclusive confirmatory due diligence until 23 January 2024 in order to advance the proposal, including negotiation of the BID.

6.2. The Bidder

The bidder under the Offer is BWPM, acting in its capacity as the responsible entity for BWP Trust, an ASX listed real estate investment trust. The directors of BWPM are listed in Section 4.4 of the Bidder's Statement.

Established and listed on ASX in 1998, BWP is an externally-managed real estate investment trust investing in and managing commercial properties throughout Australia.

BWP's portfolio comprises 75 properties with a value of \$3.0 billion (book value as at 31 December 2023). The majority of the BWP's properties are well located large format retailing properties, in particular, Bunnings Warehouse stores leased to Bunnings. Bunnings is the leading retailer of home improvement and lifestyle products in Australia and New Zealand and a major supplier to project builders, commercial tradespeople, and the housing industry.

Both Bunnings and the responsible entity are wholly-owned subsidiaries of Wesfarmers, one of Australia's largest listed companies. Through one of its subsidiaries, Wesfarmers also owns approximately 24.75% of BWP Units.

Further information about BWP and the Combined Group (if BWP acquires all of the outstanding NPR Securities) is set out in Section 4 and Section 8 of the Bidder's Statement respectively.

6.3. Consideration

Under the Offer, NPR Securityholders are offered 0.40 BWP Units per NPR Security.

The implied value of the Consideration was \$1.39 per NPR Security based on the closing price of BWP Units of \$3.47 per unit on 23 January 2024.

6.4. Newmark Group transactions in relation to NPR

NRML understands that Newmark Group (the parent company of NRML) has entered into a sale and purchase agreement (**NRML SPA**) with BWPM (a wholly owned subsidiary of Wesfarmers and BWP's responsible entity) in relation to the acquisition of NRML, the responsible entity for NPR, subject to the Offer being declared unconditional. The NRML SPA enables the acquisition of management and property rights of NPR and its properties, and provides for certain assistance by the Newmark Group as BWPM effects the orderly handover and transition of management and associated services. Under the NRML SPA, BWPM in its own right and from its own funds has agreed to pay Newmark Group \$22.5 million to acquire all of the issued capital of NRML.

Additionally, Newmark Group, NRML and other entities controlled by Newmark Group and its directors and shareholders, or controlled by directors of other members of the Newmark Group (being the **Selling Entities**) have entered into a Pre-Bid Acceptance Deed with BWP, in which the Selling Entities, that together control over 32.6 million NPR Securities, representing 18.3% of NPR Securities outstanding, have agreed to accept the Offer during the Offer Period, subject to certain conditions (**Pre-Bid Acceptance Deed**).

See Annexure B of BWP's notice of initial substantial holder for NPR lodged on 24 January 2024 for a copy of the Pre-Bid Acceptance Deed.

The NRML SPA and Pre-Bid Acceptance Deed were negotiated by Newmark Group, independent from NRML. Consequently, NRML had no control over the terms, or execution, of the NRML SPA and Pre-Bid Acceptance Deed. As set out in Section 4.1 above, Christopher Langford and Mark Allan are not members of the IBC due to their interests in Newmark Group and make no recommendation in relation to the Offer.

6.5. Offer Period

The Offer will be open for acceptance from 8 February 2024 until 7:00pm (Sydney time) on 21 March 2024, unless extended or withdrawn.

The circumstances in which BWP may extend or withdraw the Offer are set out in Section 6.10 and Section 6.11 respectively of this Target's Statement.

6.6. Funding of the Offer

Section 9 of the Bidder's Statement sets out BWP's funding arrangements for the Consideration.

6.7. Conditions of the Offer

The Offer is subject to certain conditions. Those conditions are set out in full in Annexure A of the Bidder's Statement.

At any time from when the Offer Period opens to when the Offer Period closes, BWP may choose to waive certain conditions of the Offer, declare the Offer unconditional and/or extend the Offer Period. BWP may not extend the Offer Period beyond 21 June 2024 without the consent of NPR.

In summary, the conditions of the Offer which are yet to be satisfied or waived include the following:

- (a) **(Minimum Acceptance)** BWP having a relevant interest in at least 50.1% of NPR Securities by the end of the Offer Period.
- (b) **(Regulatory Approvals)** All necessary approvals that are required by law, or from any Government Agency have been approved on an unconditional basis before the end of the Offer Period.
- (c) **(No Restraints)** No temporary restraining order, preliminary or permanent injunction or other order brought by a Government Agency that could prevent or delay the Offer.
- (d) **(No Prescribed Occurrences)** No Prescribed Occurrence in relation to NPR between the Announcement Date and the end of the Offer Period.
- (e) **(No Material Adverse Change)** No material adverse change to NPR, its assets or business occurs between the Announcement Date and the end of the Offer Period.
- (f) **(ASX Listing)** BWP Units to be issued under the Offer are approved for official quotation by ASX between the Announcement Date and the end of the Offer Period.
- (g) **(Third Party Consents)** NPR is provided with all necessary third-party financier consents between the Announcement Date and the end of the Offer Period.

6. Information about the Offer continued

6.8. Effect of non-satisfaction of conditions of the Offer

If any condition of the Offer is not satisfied or waived by BWP by the end of the Offer Period, then the Offer will lapse and not proceed, you will retain your NPR Securities and you will not receive the Consideration.

In addition, there is a statutory condition relating to ASX quotation of BWP Units to be issued under the Offer, that official quotation by ASX in respect of those securities be granted by no later than seven days after the end of the Offer Period. If this condition is not satisfied, as noted in Section 15.4 of the Bidder's Statement, the Offer will lapse and not proceed, you will retain your NPR Securities and you will not receive the Consideration.

You should be aware that, even if the conditions of the Offer are not satisfied (or are triggered, as appropriate), BWP has stated in the Bidder's Statement at Section 15.12 that any or all of the conditions of the Offer may be waived, including the 50.1% minimum acceptance condition.

If any condition of the Offer is unsatisfied (or has been triggered) and has not been waived, BWP will have an option as to whether to proceed with the acquisition of NPR Securities under the Offer or allow the Offer to lapse with unsatisfied conditions. If the Offer lapses, all acceptances of the Offer will be void and of no effect.

6.9. Status of conditions of the Offer

Section 15.13 of the Bidder's Statement states that BWP will give a notice of status of conditions to ASX and NPR on 14 March 2024.

BWP is required to set out in its notice of status of conditions:

- whether the Offer is free of any or all of the conditions;
- whether, so far as BWP knows, any of the conditions have been satisfied or waived; and
- BWP's voting power in NPR.

If the Offer Period is extended by a period before the time by which the notice of status of conditions is to be given, the date for giving the notice will be taken to be postponed for the same period. In that case, BWP is required, as soon as practicable after the extension, to give a notice to ASX and NPR that states the new date for the giving of the notice of status of conditions.

If a condition is satisfied or waived (so that the Offer becomes free of that condition) during the Offer Period but before the date on which the notice of status of conditions is required to be given, BWP must, as soon as practicable, give ASX and NPR a notice that states that the particular condition has been satisfied or waived.

6.10. Extension of Offer Period

BWP may extend the Offer Period at any time before the end of the Offer Period. However, BWP has agreed not to extend the Offer Period beyond 21 June 2024 without NPR's consent.

If BWP extends the Offer Period and the Offer remains subject to conditions, BWP will not be able to extend the Offer after it gives the notice of the status of conditions unless:

- another person announces or makes a takeover bid for NPR;
- another person lodges a bidder's statement with ASIC in respect of a takeover bid for NPR; or
- the consideration under a competing takeover bid for NPR is improved.

In addition, there will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period:

- BWP improves the consideration under the Offer; or
- BWP's voting power in NPR increases to at least 50%.

If either of these two events occurs, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.

6.11. Withdrawal of the Offer

BWP may not withdraw the Offer if you have already accepted it. However, if the conditions have not been satisfied or waived at the end of the Offer Period, then all acceptances will be void. Before you accept the Offer, BWP may withdraw the Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

6.12. Effect of acceptance of the Offer

The effect of acceptance of the Offer is set out in Section 15.8 of the Bidder's Statement. You should read these provisions in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your NPR Securities and the representations and warranties which you will be giving BWP by accepting the Offer. In particular, accepting the Offer will prevent you from selling your NPR Securities during the Offer Period (unless your acceptance can be withdrawn) and if the Offer is declared or becomes unconditional, BWP will be able to exercise the rights attaching to your NPR Securities.

By accepting the Offer you may lose your ability to accept a Superior Proposal, if one emerges, even if you consider the Superior Proposal to be more attractive.

By accepting the Offer you will still be entitled to the declared December 2023 NPR quarterly distribution of 1.9 cents per NPR Security, provided you were on the register at the record date for the distribution, which is 29 December 2023. The Consideration will not be reduced for the amount of the December 2023 NPR quarterly distribution. NPR has agreed under the BID not to pay a March 2024 quarterly distribution. NPR Securityholders that accept the Offer will be entitled to BWP's distribution for the six months ending 30 June 2024, which is expected to be 9.27 cents per BWP Unit, if the Offer has become unconditional.

Furthermore, as noted in Section 15.8 of the Bidder's Statement, by accepting the Offer you represent and warrant to BWP that, at the time of your acceptance and at the time of the transfer of your NPR Securities to BWP:

- you have paid to NRML all amounts which are due for payment in respect of your NPR Securities;
- all of your NPR Securities are fully paid and free from all encumbrances (as defined in the Bidder's Statement) and restrictions on transfer of any nature; and
- you have full power and capacity to sell and transfer those NPR Securities.

6.13. Withdrawal of your acceptance of the Offer

If you accept the Offer, you will only be able to withdraw your acceptance in limited circumstances.

You may only withdraw your acceptance of the Offer if BWP varies the Offer in a way that postpones, for more than one month, the time when BWP needs to meet its obligations under the Offer. This will occur if BWP extends the Offer Period by more than one month and the Offer is still subject to conditions.

6.14. When you will receive the Consideration

You will not receive the Consideration until after the Offer becomes unconditional. You will receive the Consideration within 5 Business Days of the later of the date of your acceptance or, if the Offer is subject to a defeating condition when you accept the Offer, the Offer becoming unconditional.

See Section 15.9 of the Bidder's Statement for further details regarding when you will receive the Consideration by BWP.

6. Information about the Offer continued

6.15. Ineligible Foreign Securityholder or Unmarketable Parcel Securityholder

If you are (or BWP believes that you are) an Ineligible Foreign Securityholder or Unmarketable Parcel Securityholder and you accept the Offer, you will not be entitled to receive BWP Units as part of the consideration for your NPR Securities. Instead, BWP will procure within the period for providing Consideration set out above the sale of the relevant BWP Units to which you and all other Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders would have been entitled, and pay the relevant proportion (as determined using the equation set out in Section 15.10 of the Bidder's Statement) of the net proceeds of sale to you thereafter.

6.16. Effect of an improvement in the Consideration

If BWP improves the consideration offered under the Offer so that the form of consideration increases, all NPR Securityholders, whether or not they have accepted the Offer before that improvement in consideration, will be entitled to the benefit of that improved consideration.

6.17. Compulsory acquisition

1. Follow on compulsory acquisition

BWP has stated in Section 7.3 of the Bidder's Statement that if it becomes entitled to proceed to compulsory acquisition in accordance with the Corporations Act, it intends to compulsorily acquire any outstanding NPR Securities.

If you do not accept the Offer and your NPR Securities are compulsorily acquired, you will face a delay in receiving the consideration for your NPR Securities compared with NPR Securityholders who have accepted the Offer.

Under Part 6A.1 of the Corporations Act, BWP will be entitled to compulsorily acquire any outstanding NPR Securities for which it has not received acceptances on the same terms as the Offer if, during or at the end of, the Offer Period, BWP (together with its associates):

- (a) has relevant interests in at least 90% (by number) of the NPR Securities; and
- (b) has acquired at least 75% (by number) of the NPR Securities that BWP offered to acquire under the Offer (excluding NPR Securities in which BWP or their associates had a relevant interest at the date of the Offer and also excluding NPR Securities issued to an associate of BWP during the Offer Period).

If these thresholds are met, BWP will have up to one month after the end of the Offer Period within which to give compulsory acquisition notices to NPR Securityholders who have not accepted the Offer. The consideration payable by BWP will be the Consideration last offered under the Offer.

NPR Securityholders have statutory rights to challenge compulsory acquisition, but a successful challenge will require NPR Securityholders to establish, to the satisfaction of a court, that the terms of the Offer do not represent 'fair value' for the NPR Securities.

2. General compulsory acquisition

If BWP does not become entitled to compulsorily acquire NPR Securities in accordance with the follow on compulsory acquisition procedure, it may nevertheless subsequently become entitled to exercise general compulsory acquisition rights in relation to NPR Securities under Part 6A.2 Division 1 of the Corporations Act.

Broadly, BWP will be entitled to compulsorily acquire all outstanding NPR Securities if BWP acquires at least 90% of NPR Securities.

Compulsory acquisition notices must be lodged within six months after BWP becomes a 90% holder pursuant to these provisions. BWP's price for compulsory acquisition under this procedure would have to be considered in a report by an independent expert. NPR Securityholders may challenge any compulsory acquisition, but this would require the court to be satisfied that the terms of the proposal do not represent fair value for the NPR Securities.

As a result, if you do not accept the Offer but BWP subsequently becomes entitled to compulsorily acquire your NPR Securities pursuant to the general compulsory acquisition procedure, you will not receive consideration for your NPR Securities until a much later time.

6.18. Lapse of the Offer

The Offer will lapse if the conditions are not waived or satisfied by the end of the Offer Period, in which case all contracts resulting from acceptance of the Offer and all acceptances that have not yet resulted in binding contracts are void. In that situation, you will be free to deal with your NPR Securities as you see fit.

6.19. BWP's intentions

Section 7 of the Bidder's Statement sets out BWP's intentions in respect of the business and operations of NPR following the Offer, which may change as new information becomes available to BWP or circumstances change. In summary, BWP has stated that:

If BWP acquires 90% or more of NPR Securities, it will:

- proceed with compulsory acquisition of the outstanding NPR Securities in accordance with Part 6A.1 of the Corporations Act;
- apply for termination of official quotation of the NPR Securities on ASX and removal from the official list and may destaple the NPR Securities;
- acquire and rebrand NRML under the NRML SPA and undertake several changes to the management of NPR;
- review and consider a potential restructure of NPR and the Newmark Hardware Trust No. 2 and the Newmark Hardware Trust No.3, having regard to what is administratively efficient;
- conduct a broad-based review of NPR's portfolio and management at both a strategic and financial level; and
- review and consider refinancing all existing NPR debt facilities.

If BWP acquires 50.1% or more of NPR Securities but less than 90%, it will:

- consider whether it is appropriate to destaple NPR Securities and/or maintain NPR's listing on ASX, having regard to considerations such as BWP's level of ownership, the costs associated with maintaining the listing, the number of remaining NPR Securityholders and the liquidity of the NPR Securities at the relevant time;
- consider options for reducing leverage to ensure compliance with loan to value ratio covenants and interest coverage ratio covenants under its financing arrangements, including reducing distributions, raising additional equity capital, or selectively disposing assets;
- acquire and rebrand NRML under the NRML SPA, appoint directors to its board and, through its board representatives, undertake several changes to the management of NPR to the extent permissible by law and the ASX Listing Rules; and
- conduct a broad-based review of NPR's portfolio and management at both a strategic and financial level.

6. Information about the Offer continued

BWP has stated that it may, depending on the then current circumstances, rely on the 3% creep exception under item 9 of section 611 of the Corporations Act to reach 90% and commence general compulsory acquisition. The process for general compulsory acquisition is described in Section 6.17 of this Target's Statement.

If BWP acquires less than 50.1% of NPR Securities:

BWP has stated in Section 7.5 of its Bidder's Statement that it reserves its right to waive the minimum acceptance condition (and any other conditions) to the Offer. However, BWP has not yet decided whether it will waive the minimum acceptance condition (or any other condition).

If BWP frees the Offer from the minimum acceptance condition and acquires less than 50.1% of NPR Securities, the interest will become an investment of BWP, which will be reviewed in accordance with its investment policy.

BWP may acquire additional NPR Securities, including under the 3% creep exception under item 9 of section 611 of the Corporations Act and by other means. BWP has not decided whether it will acquire further NPR Securities, as that will be dependent upon (among other things) the extent of the voting power of BWP in NPR and market conditions at the time.

6.20. Taxation consequences

NPR appointed SW Accountants & Advisors to prepare the Taxation Report which is included in Appendix A to this Target's Statement.

Section 10 of the Bidder's Statement includes taxation considerations applicable to NPR Securityholders who accept the Offer.

The Taxation Report only provides a summary of, and general information on, the Australian income tax and GST consequences of accepting the Offer.

NPR Securityholders should seek independent professional advice on the consequences of their participation in the Offer based on their particular circumstances. NPR Securityholders who are not Australian residents must obtain advice on the taxation implications arising in their local jurisdiction in relation to the Offer.



7.

Information relating to NPR



7. Information relating to NPR

7.1. Overview

NPR listed on ASX on 3 December 2021 and is an externally managed Australian real estate investment trust which offers investors exposure to a portfolio of well located, high-quality large format retail properties that are predominantly leased to businesses that are part of Wesfarmers. NPR's portfolio is valued at \$572 million³⁷, and is located across Queensland, New South Wales, Victoria and Tasmania. As at 6 February 2024, NPR had a market capitalisation of \$233 million (based on a closing price of \$1.31 per security).

NPR is a stapled group comprising Newmark Hardware Trust and Newmark Capital (Chadstone) Property Trust. NRML is the responsible entity for each of Newmark Hardware Trust and Newmark Capital (Chadstone) Property Trust.

7.2. Strategy

NPR's objective is to provide NPR Securityholders with exposure to a high-quality real estate portfolio targeting consistent and growing income distributions.

NPR's strategy is to achieve its objectives by:

- maintaining defensive tenant exposure within the portfolio that is underpinned by long-term leases to quality tenants;
- ensuring geographic diversification across metropolitan, urban centre and key regional locations underpinned by a growing population and a diversified local economy;
- focusing on strategic landholdings that benefit from main road locations and ease of access to major arterial roads;
- pro-actively managing lease-expiry profiles and tenant relationships;
- pursuing acquisition opportunities consistent with the investment strategy of NPR;
- continually seeking value-enhancement opportunities within the existing portfolio of assets;
- drawing on the extensive experience of the investment management team; and
- maintaining an appropriate capital structure with adequate covenant capacity.

NPR reviews its strategy on an ongoing basis and focus on operating with the best interests of NPR Securityholders at the core of its business.

NPR's investment criteria places strong emphasis on real estate fundamentals and active management. NPR seeks acquisition opportunities in Australia that deliver attractive quantitative and/or qualitative benefits and will typically include properties that are:

- complementary to its existing portfolio of properties;
- situated in metropolitan, urban centre and key regional locations that have a critical mass and growing population as well as a diversified local economy;
- secured by long-term leases to high-quality tenants that typically provide structured annual rental escalations;
- strategic landholdings that benefit from main-road exposure and ease of access to major arterial roads;
- recently constructed and/or provide a contemporary standard of accommodation; and/or
- identified to provide value-enhancement opportunities through the engagement of pro-active management provided by Newmark Group.

37. As at 31 December 2023.

7.3. Overview of NPR since listing on ASX

Since listing in December 2021, NPR has been impacted by a volatile macroeconomic backdrop with 13 interest rate increases since May 2022 implemented by the Reserve Bank of Australia. Higher interest rates generally result in capitalisation rate expansion, which has the effect of lowering property valuations and increasing debt financing costs.

Along with the majority of the A-REIT sector, NPR currently trades at a discount to NTA, driven by challenging markets and NPR's smaller scale and lower liquidity.

NPR has always maintained a disciplined approach to asset acquisitions, consistent with NPR's stated investment mandate. However, this disciplined approach, in conjunction with the competitive direct real estate market in which NPR invests, has impacted NPR's ability to acquire assets in a financially attractive manner, to increase its scale and further diversify its portfolio.

Key initiatives and milestones since NPR's listing include:

- execution of interest hedging strategy which has reduced the impact of interest rates increases
- acquisition of the Underwood property, a high quality LFR property in metropolitan Brisbane, Queensland;
- settlement and opening of the Bunnings Preston property – a true flagship Bunnings property;
- entering into an agreement with Bunnings to fund store expansion works at Warragul Property which will continue to grow property income; and
- development of an ESG roadmap to embed ESG practices across the business in a strategic and disciplined manner.

7.4. Portfolio overview

The NPR property portfolio as at 31 December 2023 is outlined below:

Key Portfolio Metrics

Key Portfolio Metrics (as at 31 December 2023)	
Number of assets	9
Portfolio value	\$572 million
Weighted average capitalisation rate ³⁸	5.37%
Gross lettable area	165,126 sqm
Occupancy ³⁹	100.0%
WALE ⁴⁰	5.7 years
Like-for-like rental growth ⁴¹	3.9%
CPI exposure ⁴²	12.2%

38. Weighted by value as at 31 December 2023.

39. NPR metrics calculated and/or weighted using gross passing income.

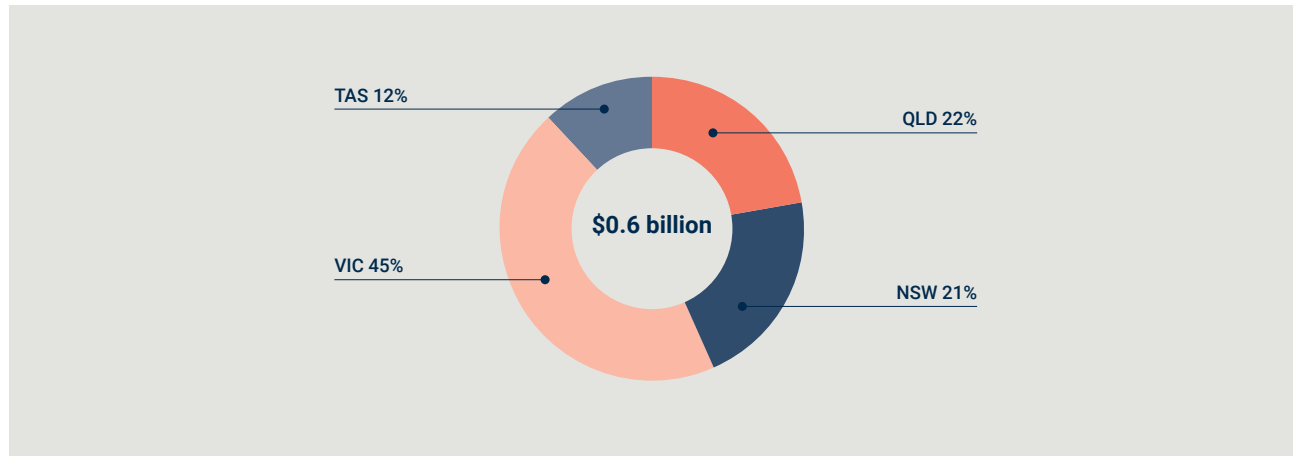
40. NPR metrics calculated and/or weighted using gross passing income.

41. Like-for-like rental growth compares the gross passing income at the end of the period to the gross passing income at the end of the previous corresponding period, but excludes any properties acquired, divested, vacated, developed or upgraded during or since the previous corresponding period.

42. NPR metrics calculated and/or weighted using gross passing income.

7. Information relating to NPR continued

Portfolio Size & Geographic Diversification⁴³



Top 5 Tenants

NPR's portfolio is grounded in large-format retail tenants, predominantly brands which are part of the Wesfarmers Group. Structured rental increases support revenue growth, with 84% of NPR's income subject to fixed rent reviews over the next 12 months and like-for-like income growth of 3.9%.

Top 5 Tenants	% of income ⁴⁴
Wesfarmers	73.7%
JB Hi-Fi/The Good Guys	3.1%
Petstock	3.0%
e&s	2.5%
Freedom	1.7%
Top 5 Total	83.9%

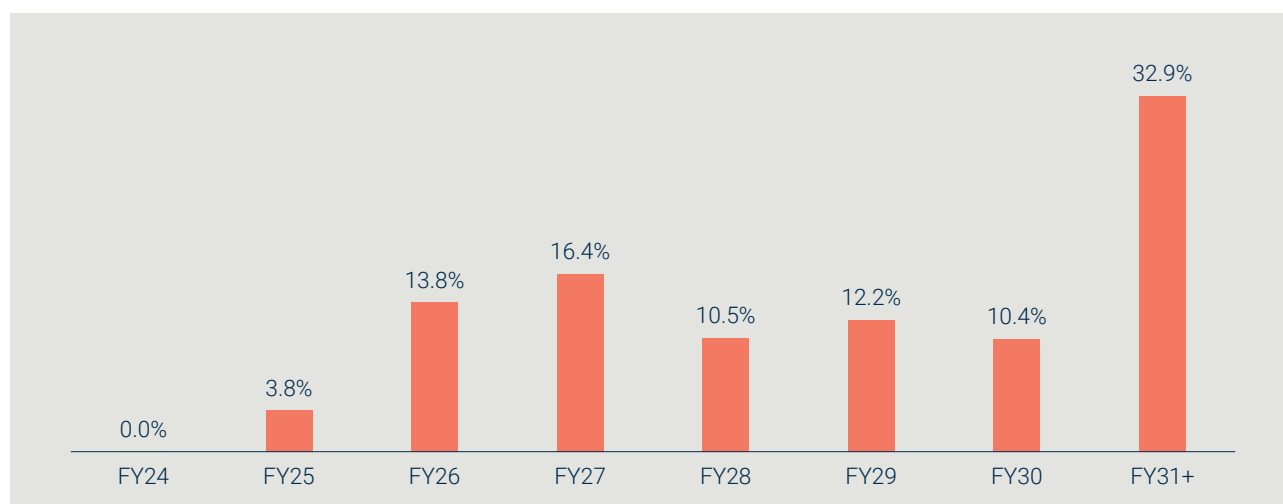
43. By value as at 31 December 2023.

44. By gross passing income as at 31 December 2023.

Lease Expiry Profile

NPR's portfolio is well-leased, with 0% of leases expiring in FY24 and less than 4% in FY25.

Lease Expiry Profile (by income)



Portfolio Overview (as at 31 December 2023)

Property	Location	GLA (sqm)	Fair Value (\$m)	Cap Rate (%)	Occupancy by income ⁴⁵	WALE by income (years) ⁴⁶
Preston	VIC	18,612	77.0	4.88%	100%	11.6
Chadstone	VIC	19,964	72.5	7.25%	100%	3.6
Warragul	VIC	25,777	63.0	5.50%	100%	5.6
Melton	VIC	18,134	43.5	4.75%	100%	9.6
Eastgardens	NSW	14,920	70.5	4.75%	100%	5.5
Lake Haven	NSW	16,313	50.0	5.00%	100%	7.4
Maroochydore	QLD	17,963	75.0	5.00%	100%	3.6
Underwood	QLD	11,115	52.5	6.00%	100%	4.7
Launceston	TAS	22,328	68.0	5.00%	100%	2.8
Total/Weighted average		165,126	572.0	5.37%	100%	5.7

45. NPR metrics calculated and/or weighted using gross passing income.

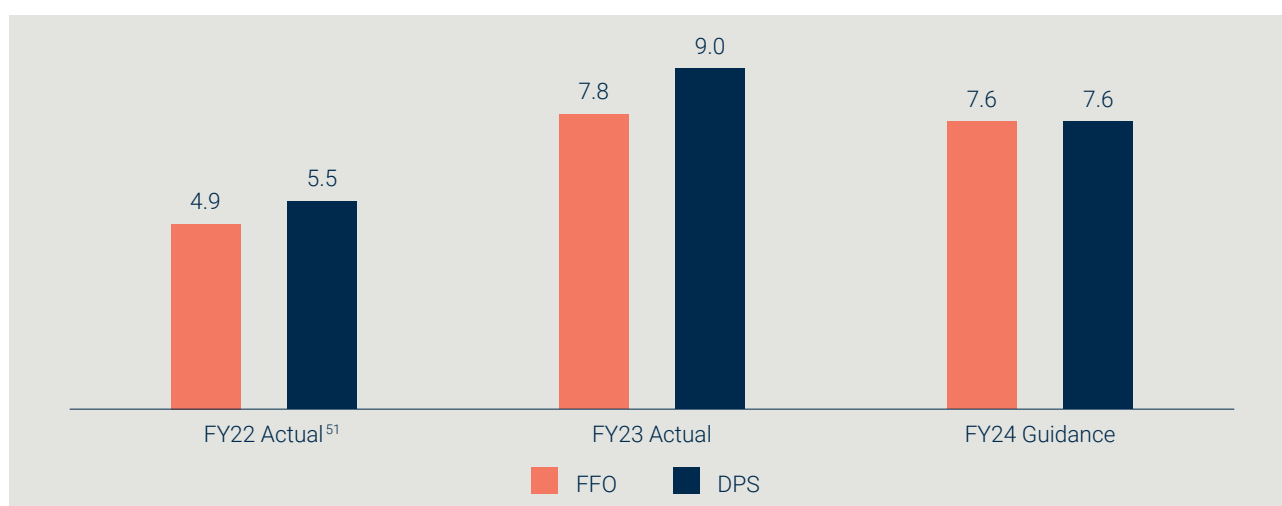
46. NPR metrics calculated and/or weighted using gross passing income.

7. Information relating to NPR continued

7.5. Capital management

Key debt statistics	31 December 2023
Borrowings (drawn)	\$274,980,332
Borrowings facility limit	\$275,000,000
Gearing	46.9% ⁴⁷
Facility maturity date	15 December 2024
Cost of debt	4.7% ⁴⁸
Interest coverage ratio	2.2x ⁴⁹
Hedge cover	62.7% ⁵⁰
Weighted average hedge term	1.15 years

7.6. Earnings and distribution history and guidance (cents per security)



7.7. Publicly available information and recent ASX announcements

On 7 February 2024 NPR announced its 1H24 financial results and released the Appendix 4D for the period ending 31 December 2023. The relevant NPR disclosures are available on NPR's website at www.newmarkcapital.com.au and on the ASX website at www.asx.com.au.

47. NPR gearing calculated as interest bearing liabilities less cash divided by total tangible assets less cash.

48. Weighted average cost of borrowings (drawn and undrawn) as at 31 December 2023.

49. Calculated as EBIT divided by interest expense for the period from 1 July 2023 to 31 December 2023.

50. Hedged debt as a percentage of drawn debt.

51. FFO and DPS relate to the period from 8 December 2021 (IPO date) to 30 June 2022.

7.8. Board of Directors

There are currently five NPR Directors, including three independent non-executive Directors.

Michael Doble, Independent Non-Executive Director and Chairman (appointed March 2021)

Michael has over 36 years' experience in the property industry in Australia. He has recently retired from the Board of Think Childcare (Developments) after it was taken over and delisted and sits on the board of real estate financier Millbrook. Michael is also the Responsible Manager for boutique property fund manager Bayley Stuart. Michael's executive career spans property valuation and funds management, where he held senior roles at Knight Frank, ANZ Funds Management and APN. At APN, Michael managed multi-billion dollar investment portfolios including pure A-REIT, hybrid (listed and unlisted) and Asian REIT funds.

Michael holds a Graduate Diploma in Applied Finance & Investment, an Associate Diploma in Valuations and a Bachelor of Business.

Melinda Snowden, Independent Non-Executive Director (appointed March 2021)

Melinda has over 28 years' experience in finance and has been a professional non-executive director since 2010 in a broad range of industries. Prior to her non-executive career, she held investment banking roles with Grant Samuel, Merrill Lynch, and Goldman Sachs and was a solicitor in the corporate division of Herbert Smith Freehills.

Melinda is currently a Non-Executive Director and Chair of the Audit and Risk Committee of ASX-listed companies Temple & Webster Group Limited and Megaport Limited. Melinda has held previous ASX listed company non-executive director roles including for Best & Less Group Holdings Limited, WAM Leaders Limited and Sandon Capital Investments Limited.

Melinda holds a Bachelor of Economics and a Bachelor of Laws from the University of Sydney, is a Fellow of FINSIA and is a graduate member of the Australian Institute of Company Directors.

Melinda is the Chairperson of the Audit, Risk and Compliance Committee at NPR.

Andrew Erikson, Independent Non-Executive Director (appointed March 2021)

Andrew was a distinguished property lawyer with over 40 years' experience in real estate development and investment in Australia and around the world, having spent time in Europe, the UK and the US. Most recently a partner at King & Wood Mallesons (retired 31 December 2020), he was highly sought after for his legal expertise and regularly nominated as a top lawyer in the area of real estate by Chambers Asia Pacific and Chambers Global Legal 500 Asia Pacific, and has previously been a member of the Urban Development Institute of Australia, Property Council of Australia and Law Institute of Victoria.

Andrew holds a Bachelor of Laws (Honours) from The University of Melbourne.

Christopher Langford, Managing Director (appointed September 2020)

Chris is currently Executive Director and Managing Director of Newmark Group, having co-founded the firm with Simon T. Morris in 2011. During his 30-year career across commercial property investment, development, and management, he has held executive leadership roles at Lend Lease and Mirvac and has managed his own property consulting business. Chris was a member of the AFL Commission from 1999 to 2016. Chris has held directorships at RCL Group and Macarthur Cook Limited.

Chris holds a Bachelor of Architecture from The University of Melbourne.

7. Information relating to NPR continued

Mark Allan, Non-Executive Director (appointed September 2020)

Mark has over 25 years' experience in investment management, corporate advisory and property having held senior roles at Ernst & Young and Deloitte, where he was Executive Director and Partner, respectively.

He is currently CEO of private investment firm, Galabay, and is a Non-Executive Director and Responsible Manager of Newmark Capital Limited.

Mark is a Chartered Accountant and holds a Master of Taxation from The University of Melbourne and a Bachelor of Business (Accounting) from Monash University.

7.9. Management team

Christopher Langford, Managing Director

Chris is currently Executive Director and Managing Director of Newmark Group. Chris' biography is set out in Section 7.8 of this Target's Statement.

Simon T. Morris, Executive Director

For more than 30 years Simon has refined his hands-on forensic approach to identifying, acquiring, developing and managing all sectors of commercial property across Australia. Prior to the establishment of Newmark Group, Simon was Chief Executive Officer of Peninsula Development Group for more than 15 years. Simon developed a deep appreciation for whole-of-life property outcomes and an in-depth knowledge of acquisition, design, delivery, management and investment.

Highly methodical and granular in his approach, Simon thrives on the challenge of realising compelling property outcomes for investors and that contribute to the community at large. Simon is a director of Virtual Communities Ltd and Melbourne Hebrew Congregation, and a past director of Luna Park Melbourne and Jewish Care Victoria.

Ed Cruickshank, NPR Fund Manager

Ed is an experienced real estate professional skilled in funds management, property valuation, market research, portfolio optimisation and financial modelling and analysis for real estate investments. Before joining Newmark, Ed was a Director within PwC's Real Estate Advisory team where he consulted to a range of real estate owners, investors and occupiers.

At Newmark, Ed is responsible for working with the broader team to set and execute the investment strategy of Newmark's property trusts.

Ed holds a Bachelor of Commerce (Accounting and Finance) from Monash University, Graduate Diploma of Applied Finance and a Graduate Diploma of Chartered Accounting.

Kelly Barker, Chief Financial Officer

Kelly has extensive experience leading finance teams in the property industry in both the listed and unlisted environments.

Previously Kelly has held CFO and senior finance roles at Property Fund Managers and Property Developers including Arena Investment Management and Impact Investment Group. Kelly also spent 8 years at PwC providing her with exposure to a broad range of industries both in Australia and overseas. Kelly has managed and overseen all elements of finance, including financial strategy, financial and management reporting, taxation, audit, treasury, AFSL compliance, budgeting, reforecasting, systems review, process improvement and financial controls.

At Newmark Kelly is responsible for leading the finance strategy, overseeing all elements of the financial function and leading a team of qualified financial professionals.

Kelly is a Chartered Accountant and holds a Bachelor of Commerce (Accounting) and Bachelor of Science.

Angus MacHutchison, General Manager, Property

Angus has almost 30 years of executive level experience at some of Australia's largest land owners and property organisations. At McDonalds Australia as Development Director he was responsible for the asset management of the national property portfolio together with new store network planning. At both Westfield and Vicinity, Angus was responsible for several major retail development projects across various states including the \$1.1 billion Emporium Melbourne redevelopment from site acquisition to completion and more recently Chadstone Shopping Centre. As such, Angus has a comprehensive understanding of the key issues and strategies required to deliver major development projects through the entire project cycle with focus on financial performance, risk mitigation and design and construction delivery.

Angus was educated at The University of Melbourne and has been on a member of Australian Property Council retail and education sub committees. He is a current member of the Property Industry Foundation corporate cycling fund raising committee.

Richard Drake, Head of Capital Transactions

Richard gained extensive experience from physically inspecting hundreds of buildings while researching commercial property acquisitions across Australia. A trained Property Valuer, he understands the importance of careful and targeted research that analyses all dimensions of an asset. Having witnessed the dramatic rise and fall of several property cycles, Richard undertakes forensic analysis of reports and is skilled at detecting missing information. During his 25-year career Richard has held property management and acquisition roles at Coles, Target, Officeworks and Becton. Richard believes listening to tenants and making properties function for them is integral to achieving client satisfaction.

Peter Hulbert, Company Secretary and General Manager, Legal

Peter is highly skilled and experienced in corporate law, governance, compliance and risk management with over 20 years' experience in the legal and property funds management industries, including listed, unlisted, retail, wholesale, open-ended and fixed term funds and alternative investment vehicles. Peter has developed strong capabilities in managing complex corporate and fund transactions, diverse stakeholders and regulatory engagement. Peter has previously held positions as General Counsel and Company Secretary of Arena REIT and Arena Investment Management, lawyer at Blake Dawson Waldron (now Ashurst) and is a barrister and solicitor of the Supreme Court of Victoria.

Mark Lumby, General Manager, Funds and Operations

Mark is a highly collaborative executive leader with more than 25 years' experience in the property funds management industry uniquely skilled as an investor, operator, director and platform builder. He has a proven track record of successfully growing businesses, people and teams for the benefit of investors. At Newmark, Mark is responsible for the funds management platform, working closely with all team members to maintain trust and create value for investors, tenants, employees, partners and the community.

During his careers with Australian Unity, Investa Property Group and Stockland, Mark has managed several property funds in ASX-listed and unlisted environments; had commercial accountability for an investment funds management business spanning commercial property, equities and fixed interest products; built cohesive teams across various functions ranging from investment management through to sales, marketing and operations; and launched innovative new products and led various M&A and IPO transactions.



8.

Risk factors



8. Risk factors

In considering this Target's Statement and the Offer, NPR Securityholders should be aware that there are a number of risks which may affect the future operating and financial performance of NPR. Some of the risks can be adequately mitigated by the use of safeguards and appropriate systems, but many are beyond the control of the NPR Directors and cannot be mitigated.

Many of these risks currently exist in relation to your investment in NPR Securities. A comprehensive list of risks to which a NPR Securityholder may be exposed is set out in the product disclosure statement of NPR lodged with ASIC and ASX on 3 December 2021. The product disclosure statement is available at <https://newmarkcapital.com.au/investor-centre/>. The risks set out in the product disclosure statement were current as at the date of that document. While many of these risks remain current, risks affecting an investment in NPR have evolved since that date and have been updated in subsequent disclosures made to ASX, including in periodic financial reports, investor presentations, continuous disclosure notices and the table below.

By accepting the Offer (and assuming it becomes unconditional), you will receive BWP Units and therefore be exposed to risks associated with BWP's business activities.

8.1. Risks relating to NPR

As a NPR Securityholder, you are already exposed to certain general risks associated with your investment in NPR, including the following:

Risks	Description
Financial Risks	
Funding and refinancing risk	<p>NPR relies on a combination of funding options including equity and debt in order to execute its strategy. An inability to attract funding may adversely affect the growth prospects of NPR or even NPR's ability to maintain its properties to the requisite standard (which in turn may affect its ability to retain existing, or to attract new, tenants).</p> <p>An inability to refinance any debt (either on acceptable terms or at all), or any increase in the cost of such funding, may also adversely impact the performance and the financial position of NPR.</p>
Interest rate risk	<p>Risk of rising interest rates may adversely impact NPR's operating cash flows and distributions to investors. Further interest rate increases will continue to place pressures on earnings, reduce interest coverage ratio covenant headroom and is likely to result in capitalisation rate expansion, which has the effect of lowering property valuations.</p>
Finance risk	<p>NPR's ability to comply with covenants in its debt facilities (including gearing or interest coverage ratios) and to refinance or repay its debt facilities as they fall due, which will be impacted by numerous factors, most notably being: market conditions and the financial status of NPR, including for example a decline in property values or reduction in rental income. Please see Section 7.5 of this Target's Statement for further information regarding details of NPR's gearing and debt facilities.</p>

8. Risk factors continued

Risks	Description
Gearing risk	<p>Gearing exposes NPR to any changes in interest rates and increases NPR's exposure to movements in the value of the portfolio or performance measures. Higher gearing will increase the effect of an increase in interest rates.</p> <p>If the level of gearing increases over the term of any debt financing, this may create refinancing risk on NPR's debt as it approaches expiry. Should NPR's debt gearing differ from that, then future distributions may vary.</p> <p>The use of leverage may enhance returns and increase the number of assets that can be acquired by NPR, but it may substantially increase the risk of loss. Use of leverage may adversely affect NPR if economic impacts such as rising interest rates, severe economic downturns or deterioration in the conditions of the market occur. In the event an investment is unable to generate sufficient cash flow to meet the principal and interest payments on its indebtedness, the value of NPR's equity component could be significantly reduced or even eliminated.</p>
Investment risk	<p>NPR is weighted towards the hardware and LFR sub-sector within the Australian commercial property sector. Accordingly, NPR's performance will be affected by the performance of the Australian LFR property sector, which is in turn highly correlated with the performance of the Australian residential housing market. A reduction in the value of any property may adversely affect the value of securities in NPR.</p>
Operational Risks	
Leasing and vacancy risk	<p>A risk that NPR may not be able to negotiate suitable lease renewals with existing tenants, maintain existing lease terms, or replace outgoing tenants with new tenants on substantially the same terms. NPR could also incur additional costs associated with re-leasing any properties. The ability to lease or re-lease tenancies upon expiry of the current lease, and the rent achievable, will depend on the prevailing market conditions at the relevant time and these may be affected by economic, competitive or other factors.</p>
Development risks	<p>Risks involved with any developments which may be undertaken by NPR or a development manager appointed by NPR.</p>
Capital expenditure risk	<p>A risk that, due to unforeseen circumstances (for example, changes to regulations and unforeseen property defects or damage), NPR may have to make additional capital expenditure on properties in its portfolio, which is not taken into account in NPR's best estimates or otherwise covered by NPR's insurance policy.</p>
Occupational health and safety	<p>A risk that liability arising from occupational health and safety matters at a property may be attributable to NPR as the landlord instead of, or as well as, the tenant. To the extent any liabilities may be borne by NPR, this may impact the financial performance of NPR (to the extent not covered by insurance). In addition, penalties may be imposed upon NPR which may have an adverse impact on NPR.</p>

Risks	Description
Regulatory Risks	
Compliance risk	NRML is subject to strict regulatory and compliance arrangements under the Corporations Act and ASIC policy. If NRML breaches the Corporations Act or the terms of its AFSL, ASIC may take action to suspend or revoke the licence, which in turn would adversely impact the ability of NRML to manage NPR.
Management conflicts	<p>In addition to managing the assets of NPR, Newmark Property Funds Management Pty Ltd (the Investment Manager) is also the manager of other commercial property funds. The management of properties for different funds may lead to actual or perceived conflicts of interest, including with regards to the acquisition of properties, leasing and the allocation of the Investment Manager's resources to each different fund.</p> <p>NRML as the responsible entity for NPR has sought to mitigate this risk by requiring the Investment Manager to consider investment opportunities, which are relevant to NPR and other clients of the Investment Manager, in accordance with Newmark Group's Related Party Transactions and Conflicts of Interest Policy.</p>
Environmental Risks	
Climate	<p>The introduction of more stringent environmental laws and regulations in the future, for example, in order to combat climate change, may require NPR to undertake material expenditure to ensure that the required compliance is maintained.</p> <p>NPR has adopted an ESG framework under which it is working to enhance its environmental and climate related risk management, working towards reporting to the Task Force on Climate-Related Financial Disclosures framework.</p>
Technology and cyber security	<p>Increasing occurrence and sophistication of cyber attacks presents increased risks including compromised systems, loss of data and reputational harm.</p> <p>NRML as the responsible entity for NPR has enacted enhanced security on its IT systems and conducted benchmarking and penetration testing of its systems. Ongoing validation and review is undertaken.</p>

8. Risk factors continued

8.2. Risks relating specifically to the Offer

Section 11 of the Bidder's Statement sets out in further detail the risks and uncertainties, both specific to BWP and of a more general nature, to which you may be exposed as a result of becoming a BWP Unitholder.

This section summarises certain risks associated specifically with the Offer.

Risks	Description
BWP Units as consideration	<p>NPR Securityholder who accept the Offer will receive 0.40 BWP Units per NPR Security (assuming it becomes unconditional).</p> <p>As a result, the value of the Consideration will fluctuate depending upon the market value of BWP Units. Accordingly, the market value of BWP Units at the time you receive them, and therefore the implied value of the Consideration, may vary from their market value on the date of your acceptance of the Offer, and the tax treatment of BWP Units you receive may be different from your NPR Securities.</p> <p>Furthermore, future sales or issuances of a significant number of BWP Units (including under the Offer) could depress the short to medium term trading price of, and demand for, BWP Units.</p>
Integration of NPR	<p>There is a risk that implementation and other one-off costs of integration may be substantial or greater than reasonably anticipated. This could have a material adverse impact on the Combined Group's financial position and performance.</p> <p>The transition of information systems and data, technical, financial and legal information and resources may not proceed smoothly and may divert management's attention from managing the Combined Group's business. There is a risk that revenue streams or operations could be disrupted or that costs associated with the transition may be greater than expected, which could adversely affect the Combined Group's financial position and performance.</p> <p>Additionally, such integration may take longer than expected and anticipated efficiencies, benefits and potential synergies of that integration may be less than targeted.</p> <p>However, NRML has agreed to assist BWP in transitioning management of NPR to BWP. BWPM has entered into the NRML SPA which is expected to assist BWP in mitigating this risk to some extent.</p> <p>Further, the integration of NPR's accounting functions may lead to revisions of these accounting policies, which may adversely impact the Combined Group's reported results of operations and/or financial position and performance.</p>

Risks	Description
Control by BWP	<p>If BWP acquires some but not all of the NPR Securities under the Offer (or acquires more NPR Securities pursuant to item 9 of Section 611 of the Corporations Act) so that it has voting power in NPR exceeding 50%, BWP will be the majority holder of NPR Securities.</p> <p>In this circumstance BWP will effectively control NPR, having an ability to remove and replace NRML as responsible entity and having significant influence over the outcome of NPR Securityholder resolutions. BWPM may also obtain control of NRML, the responsible entity for NPR, through its acquisition of NRML under the NRML SPA where the Offer is declared unconditional. This may occur in circumstances where BWP owns less than 50.1% of NPR Securities if BWP waives the 50.1% minimum acceptance condition. If this occurs, BWPM will be entitled to appoint the directors of NRML. However, changes to the business of NPR which are initiated or influenced by BWP or BWPM may result in other NPR Securityholders subsequently disposing of NPR Securities at a time when the position of NPR may be less favourable than that prevailing at the date of this Target's Statement.</p> <p>If BWP acquires control over more than 75% of NPR Securities, it will be able to pass a special resolution at a general meeting of NPR Securityholders. This would enable BWP to, among other things, change NPR's Constitution.</p> <p>If BWP acquires at least 90% of NPR Securities, BWP may become entitled to acquire your NPR Securities through the implementation of compulsory acquisition procedures in accordance with Section 661B of the Corporations Act. If this occurs, you will be compelled to sell your NPR Securities to BWP but may not receive your consideration for a number of months. If BWP does not become entitled to compulsorily acquire NPR Securities during or at the end of the Offer Period, it may nevertheless subsequently become entitled to exercise general compulsory acquisition rights in relation to NPR Securities under the Corporations Act if BWP obtains a relevant interest in at least 90% of NPR Securities in the future.</p>
Liquidity risk	<p>If BWP acquires some but not all of the NPR Securities under the Offer, the number of NPR Securities publicly traded on ASX could be significantly reduced. In addition, under item 9 of Section 611 of the Corporations Act, BWP is entitled to acquire up to an additional 3% interest in NPR every six months without needing to make a further takeover offer.</p> <p>In light of these factors, there is a risk to NPR Securityholders who do not accept the Offer becoming securityholders in NPR whereby BWP has control (by owning at least 50.1% of NPR Securities) with reduced security trading liquidity. This may result in downward pressure on the trading prices of NPR Securities and make it more difficult for NPR Securityholders to sell their securities.</p>
Exposure to BWP's business	<p>As outlined in Section 11 of the Bidder's Statement, NPR Securityholders who accept the Offer will continue to be exposed to the general risks to which participants in the property investment and development industry are exposed, with both NPR and BWP exposed to such risks.</p> <p>Becoming a BWP Unitholder may expose NPR Securityholders to the potential risk of conflict existing due to BWP's responsible entity, BWPM, being a wholly owned subsidiary of Wesfarmers, also the ultimate owner of BWP's major tenant, Bunnings.</p> <p>However, this risk is mitigated through BWP's conflict management policy, including BWPM's independent board, and the alignment of interests resulting from Wesfarmers' 24.75% investment stake in BWP.</p>



9.

Additional information



9. Additional information

9.1. Bid Implementation Deed

The BID sets out the manner in which NPR and BWP have agreed to act in relation to the Offer. Under the BID entered into with BWP, NPR has agreed the following:

- (a) **(No shop)** not to solicit, encourage, invite or initiate (including by the provision of non-public information to any third party) any negotiation, inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which would reasonably be expected to lead to the making of, a Competing Proposal.
- (b) **(No talk and no due diligence)** not to participate in negotiations or discussions, enter any agreement, arrangement or understanding, or provide non-public information about NPR to any third party in response to any inquiry, expression of interest, offer, proposal or discussion in relation to an actual, proposed or potential Competing Proposal.
- (c) **(Notification)** to notify BWP as soon as possible if it becomes aware of any approach, proposal, or attempt to initiate negotiations or discussions regarding an actual, proposed or potential Competing Proposal, and also provision of any material non-public information concerning the business or operations of NPR to any third party in connection with a Competing Proposal.
- (d) **(Matching right)** to give BWP at least 5 Business Days to match or better a proposed Competing Proposal, which the IBC considers to be an actual or potential Superior Proposal, before NPR is able to enter into an agreement to implement such Competing Proposal or the members of the IBC are able to recommend such Competing Proposal.

The no talk and no due diligence restriction does not apply to the extent that it restricts NPR from taking or refusing to take any action with respect to an actual or potential Superior Proposal (which was not solicited, invited, encouraged or initiated by NPR) where the IBC has determined that it would or would be likely to be a breach of their fiduciary or statutory duties to do so.

For further information regarding the exclusivity arrangements see clause 14 of the BID, which was released to ASX on 24 January 2024.

NPR has further agreed to pay a break fee of \$2.5 million to BWP in certain circumstances, including one or more members of the IBC failing to recommend that NPR Securityholders accept the Offer (in the absence of a Superior Proposal), withdrawing or adversely revising such recommendation, or recommending acceptance of a Competing Proposal, or if a Competing Proposal for control of NPR is made and is ultimately successful. For further information regarding the break fee see clause 16 of the BID.

9.2. Issued capital

As at the date of this Target's Statement, NPR's issued capital consisted of 177,819,763 NPR Securities.

Section 12.3 of the Bidder's Statement states that the Offer is made in relation to NPR Securities that exist or will exist as at open of business on the date of the Offer.

9. Additional information continued

9.3. Substantial holders

As at 6 February 2024, based on the substantial unitholder notices provided to NPR, the substantial securityholders of NPR Securities are set out in the table below.

Substantial securityholder	Number of NPR Securities	Relevant interest
BWP	32,624,494	18.3% ⁵²
Ian Roberts and associated entities	32,130,644	17.69% ⁵³
Simon T. Morris	12,161,839	6.70% ⁵⁴
Christopher Langford and Spyglass Holdings Pty Ltd as trustee for the Langford Family Trust	11,792,768	6.49% ⁵⁵
Newmark Group	11,744,040	6.47%

9.4. Latest financial results and financial position

On 7 February 2024 BWP announced its 1H24 financial results and released the Appendix 4D for the period ending 31 December 2023. The relevant NPR disclosures are available on NPR's website at www.newmarkcapital.com.au/investor-centre and on the ASX website at www.asx.com.au.

9.5. Consent to inclusion of a statement

SW Accountants & Advisors has given, and has not, before the lodgement of this Target's Statement with ASIC, withdrawn its written consent to the inclusion of the Taxation Report in Appendix A and statements based on the Taxation Report in the form and context in which the statements are included and to the inclusion of all references in this Target's Statement to those statements in the form and context in which they are included.

9.6. Consent to be named

Herbert Smith Freehills has given, and has not withdrawn before lodgement of this Target's Statement with ASIC, its written consent to be named in this Target's Statement as the Australian legal adviser (other than in relation to taxation) to NRML.

Morgan Stanley Australia Limited, has given, and has not withdrawn before lodgement of this Target's Statement with ASIC, its written consent to be named in this Target's Statement as the financial adviser to NRML.

9.7. Disclaimer regarding named persons and statements made

Each person named in Sections 9.5 and 9.6 as having given their consent to the inclusion of a statement or being named in this Target's Statement:

- does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based other than those statements (if any) which have been included in this Target's Statement with the consent of that person, and

52. Interest arises under the Pre-Bid Acceptance Deed set out in Annexure B of BWP's notice of initial substantial holder for NPR lodged on 24 January 2024.

53. Interest includes the NPR Securities held by Newmark Group pursuant to s.608(3)(a) of the Corporations Act.

54. Interest includes the NPR Securities held by Newmark Group pursuant to s.608(3)(a) of the Corporations Act.

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- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name and any statements or report which have been included in this Target's Statement with the consent of that party.

ASIC has published various instruments that modify or exempt parties from compliance with the operation of various provisions of Chapter 6 of the Corporations Act. NPR has relied on that ASIC relief.

As permitted by ASIC Corporations (Takeover Bids) Instrument 2023/683, this Target's Statement contains statements which are made, or based on statements made, in documents lodged with ASIC or given to ASX. Pursuant to this ASIC Instrument, the consent of persons to whom such statements are attributed is not required for the inclusion of these statements in this Target's Statement.

Any NPR Securityholder who would like to receive a copy of any of those documents may make a request to obtain a copy during the Offer Period by contacting the NPR Securityholder Information Line on 1300 255 218 (callers within Australia) or +61 2 9066 4084 (callers outside Australia). NRML will provide a copy of the document or part of the document free of charge.

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person, or
- from a public official document or a published book, journal or comparable publication.

Pursuant to this ASIC Class Order, the consent of such persons to whom statements or documents are attributed is not required for the inclusion of those statements in this Target's Statement.

In addition, as permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement contains security price trading data sourced from IRESS without its consent.

9.8. Continuous disclosure

NPR is a disclosing entity as defined in the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules.

Copies of documents filed with ASX may be obtained from the ASX website at www.asx.com.au and, for announcements made by NPR, NPR's website at www.newmarkcapital.com.au.

Copies of documents lodged with ASIC in relation to NPR may be obtained from, or inspected at, an ASIC office.

NPR Securityholders may obtain a copy of:

- NPR's annual report;
- the NPR Constitutions (consisting of the Newmark Hardware Trust Constitution and the Newmark Capital (Chadstone) Property Trust Constitution); and
- any document lodged by NPR with ASX between the release of NPR's annual report and the date of this Target's Statement,

free of charge upon request by contacting the NPR Securityholder Information Line on 1300 255 218 (callers within Australia) or +61 2 9066 4084 (callers outside Australia) or from the ASX website at www.asx.com.au. NPR's annual report and this Target's Statement are also available on NPR's website at www.newmarkcapital.com.au/investor-centre.

9. Additional information continued

9.9. No other material information

This Target's Statement is required to include all the information that NPR Securityholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but:

- only to the extent to which it is reasonable for NPR Securityholders and their professional advisers to expect to find this information in this Target's Statement; and
- only if the information is known to any NPR Director.

The NPR Directors are of the opinion that the information that NPR Securityholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is:

- the information contained in the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);
- the information contained in NPR's releases to ASX, and in the documents lodged by NPR with ASIC, before the date of this Target's Statement; and
- the information contained in this Target's Statement.

The NPR Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate in all material respects (unless they have expressly indicated otherwise in this Target's Statement). However, the NPR Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all of the statements contained in it.

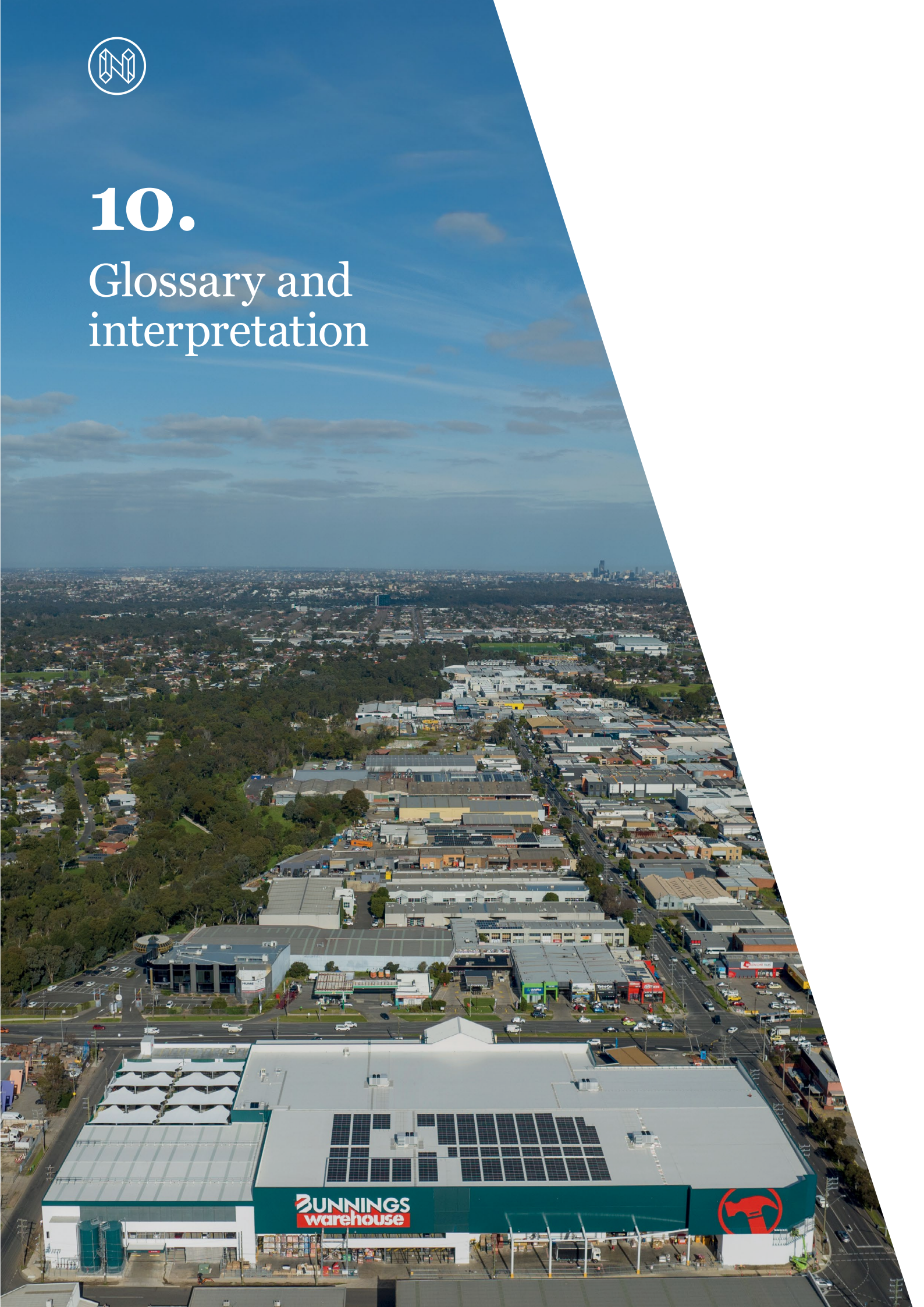
In deciding what information should be included in this Target's Statement, the NPR Directors have had regard to:

- the nature of the NPR Securities;
- the matters that NPR Securityholders may reasonably be expected to know;
- the fact that certain matters may reasonably be expected to be known to NPR Securityholders' professional advisers; and
- the time available to NPR to prepare this Target's Statement.



10.

Glossary and interpretation



10. Glossary and interpretation

10.1. Glossary

The meanings of the terms used in this Target's Statement are set out below.

Term	Meaning
Acceptance Form	the acceptance form included with the Bidder's Statement.
AFSL	Australian Financial Services Licence.
Announcement Date	24 January 2024.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.
ASX Listing Rules	the official listing rules of ASX.
ATO	Australian Taxation Office.
BID	the bid implementation deed between NPR and BWP dated 24 January 2024 in respect of the Offer.
Bidder's Statement	the bidder's statement of BWP dated 7 February 2024.
Broker	means a person who is a stock broker and a participant in CHESS.
Bunnings	Bunnings Group Limited (ACN 008 672 179).
Business Day	a day that is not a Saturday, Sunday or a public holiday or bank holiday in Melbourne or Perth.
BWP	BWP Trust or, as the context requires it, BWPM as responsible entity for the BWP Trust.
BWP Trust	BWP Trust (ARSN 088 581 097).
BWP Unit	a fully paid ordinary unit in BWP Trust.
BWPM	BWP Management Limited (ACN 082 856 424) (a wholly owned subsidiary of Wesfarmers and BWP's responsible entity).
CHESS Holding	a holding registered with a broker and sponsored by the Clearing House Electronic Subregister System, which is allocated a unique Holding Identification Number (HIN) by the broker.
Combined Group	the combined businesses of BWP Trust and NPR, assuming BWP acquires 100% of NPR Securities.

Term	Meaning
Competing Proposal	<p>any proposal, agreement, arrangement or transaction which, if entered into or completed, would result in a third party (either alone or together with any associate):</p> <ol style="list-style-type: none"> 1. acquiring a relevant interest in more than 15% of the NPR Securities; 2. acquiring an economic interest under a cash settled equity swap or similar derivative in more than 15% of the NPR Securities; 3. replacing NRML as responsible entity for NPR; 4. replacing Newmark Property Funds Management Pty Ltd as 'investment manager' of NPR; 5. replacing Newmark Asset Management Pty Ltd as 'property manager' of NPR; 6. directly or indirectly acquiring the management rights of NPR currently held by members of the Newmark Group; 7. directly or indirectly acquiring or obtaining an interest (including an economic interest) of 15% or more in all or the majority of the business conducted by, or assets or property of, NPR or the Newmark Group; 8. directly or indirectly acquiring control of: <ul style="list-style-type: none"> – NPR; or – Newmark Group; 9. otherwise directly or indirectly acquiring, merging with NPR, or having its securities stapled with the NPR Securities; or 10. requiring NPR to abandon, or otherwise fail to proceed with, the acquisition by BWP of NPR Securities under the Offer, <p>whether by way of takeover bid, scheme of arrangement, trust scheme, capital reduction, sale of assets, sale of securities, stapling, strategic alliance, dual listed company structure, joint venture or partnership, or other transaction or arrangement (including in each case any variation or modification of an earlier Competing Proposal).</p>
Consideration	the consideration under the Offer of 0.40 BWP Units per NPR Security.
Controlling Participant	has the meaning given in the ASX Settlement Operating Rules. Usually your Controlling Participant is a person, such as a Broker, with whom you have a sponsorship agreement (within the meaning of the ASX Settlement Operating Rules).
Corporations Act	the <i>Corporations Act 2001</i> (Cth) (as varied or modified by ASIC).
CPI	consumer price index.
EBIT	earnings before interest and tax.
ESG	environmental, social and governance.
FFO	a measure of cashflow from operations that adjusts the statutory accounting standards profit for the year for non-cash changes in investment properties, non-cash impairment of goodwill, non-cash fair value adjustments to financial instruments, amortisation of incentives and leasing costs, rental straight-line adjustments and other unrealised or one-off items.

10. Glossary and interpretation continued

Term	Meaning
Government Agency	any government or governmental, semi governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world.
GST	has the meaning given to that term in the <i>A New Tax System (Goods & Services Tax) Act 1999</i> (Cth).
IBC	the independent board committee of NPR comprising Michael Doble, Melinda Snowden and Andrew Erikson.
Independent Director	a member of the IBC.
Ineligible Foreign Securityholder	a NPR Securityholder whose address shown in the register of NPR Securityholders is a place outside Australia and its external territories or New Zealand, unless the parties agree in writing that it is lawful and not unduly onerous or impracticable to issue BWP Units to that NPR Securityholder.
LFR	large format retail.
NCP	Newmark Capital (Chadstone) Property Trust (ARSN 648 280 219).
Newmark Group	Newmark Property Group Pty Ltd (ACN 152 310 980) or, as the context requires it, Newmark Property Group Pty Ltd (ACN 152 310 980) and each entity that Newmark Property Group Pty Ltd directly or indirectly, through one or more intermediaries, Controls.
NHT	Newmark Hardware Trust (ARSN 161 274 111).
NPR	the stapled group comprising NHT and NCP or, as the context requires it, NRML as responsible entity for each of NHT and NCP.
NPR Director	a director of NRML, being as at the date of this Target's Statement any one of: <ul style="list-style-type: none"> • Michael Doble, Chairman and Independent Non-Executive Director; • Melinda Snowden, Independent Non-Executive Director; • Andrew Erikson, Independent Non-Executive Director; • Christopher Langford, Managing Director; and • Mark Allan, Non-Executive Director.
NPR Security	a stapled security comprising one fully paid ordinary unit in NHT stapled to one fully paid ordinary unit in NCP.
NPR Securityholder	a person who is a registered holder of NPR Securities.
NRML	Newmark REIT Management Limited (ACN 644 715 382).
NRML SPA	the sale and purchase agreement dated 24 January 2024 between Newmark Group and BWPM.
NTA	net tangible assets.
Offer	the offer by BWP for NPR Securities, which offer is contained in Section 15 of the Bidder's Statement.

Term	Meaning
Offer Period	the period during which the Offer will remain open for acceptance in accordance with Section 15.3 of the Bidder's Statement.
Pre-Bid Acceptance Deed	the pre-bid acceptance deed dated 24 January 2024 between BWP and Newmark Group on behalf of the Selling Entities.
Sale Nominee	the nominee approved by ASIC for the purpose of the sale facility outlined in Section 15.10 in the Bidder's Statement.
Selling Entities	Newmark Group, Haya Capital Pty Ltd (ACN 614 477 119), Ronnie Capital Pty Ltd (ACN 613 192 046), Newmark Capital Investments Pty Ltd (ACN 622 917 435), Robo Capital Pty Ltd (ACN 129 390 389) as trustee for the Robo Capital Investment Trust ABN 75 743 054 887, MCTF Pty Ltd (ACN 129 726 307) as trustee for the MC Trust, 39 Investments Pty Ltd (ACN 613 143 641) as trustee for the 39 Investments Trust, Ian Roberts, Newmark Capital Limited (ACN 126 256 690), Spyglass Holdings Pty Ltd (ACN 116 979 901) as trustee for The Langford Family Trust, Cathma Investments Pty Ltd (ACN 133 902 146) as trustee for Super Safari Fund, Rubycon Pty Ltd (ACN 060 560 205) as trustee for Morshine Super Fund, Morshine Holdings Pty Ltd (ACN 622 142 269) as trustee for Morshine Holdings and NRML.
Superior Proposal	<p>a written bona fide Competing Proposal received after 24 January 2024 that does not result from a breach by NPR of any of its obligations under clause 14 of the BID which the IBC, acting in good faith, and after receiving advice from its legal and financial advisers, determines:</p> <ol style="list-style-type: none"> 1. is reasonably capable of being valued and implemented within a reasonable timeframe in accordance with its terms; and 2. would, if completed substantially in accordance with its terms, be more favourable to NPR Securityholders than the Offer or the BWP counterproposal in accordance with clause 14.7 of the BID (as the case may be), <p>taking into account all aspects of the Competing Proposal and the Offer, including conditions, the identity, reputation and financial condition of the person making the proposal and all relevant legal, regulatory and financial matters (including the value and type of consideration, funding, any timing considerations, any conditions precedent or other matters affecting the probability of the proposal being completed).</p>
SW Accountants & Advisors or SW	SW Accountants & Advisors Pty Ltd (ACN 005 273 496).
Target's Statement	this document which is issued by NPR under Part 6.5, Division 3 of the Corporations Act in response to the Offer made on 7 February 2024 by BWP.
Unmarketable Parcel Securityholder	a NPR Securityholder to whom, if they accepted the Offer, BWP Units would be issued which would not constitute a Marketable Parcel.
Voting Power	has the meaning given in section 610 of the Corporations Act.
VWAP	volume weighted average price.
WACR	weighted average capitalisation rate.
WALE	weighted average lease expiry.

10. Glossary and interpretation continued

Term	Meaning
Wesfarmers	Wesfarmers Limited (ACN 008 984 049) or, as the context requires it, the Wesfarmers Group.
Wesfarmers Group	Wesfarmers and its subsidiaries.

10.2. Interpretation

In this Target's Statement, unless the context requires otherwise:

- headings are inserted for convenience and do not affect the interpretation of this Target's Statement;
- words and phrases in this Target's Statement have the same meaning given to them (if any) in the Corporations Act;
- the singular includes the plural and vice versa;
- a gender includes all genders;
- a reference to a person includes a corporation, partnership, joint venture, association, unincorporated body or other body corporate and vice versa;
- if a word is defined, another part of speech has a corresponding meaning;
- a reference to a Section or Appendix is a reference to a Section or Appendix of this Target's Statement;
- a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- unless expressly stated otherwise, a reference to time is a reference to Sydney time;
- unless expressly stated otherwise, a reference to dollars, \$, A\$ or AUD is a reference to the lawful currency of Australia; and
- specifying anything after the words 'includes' or 'for example' or similar expressions does not limit what else is included.



11.

Authorisation



11. Authorisation

This Target's Statement has been approved by a resolution passed by the NPR Directors. All NPR Directors voted in favour of that resolution.

Signed for and on behalf of NPR:

Date	7 February 2024
Sign here	
Print name	Michael Doble
Position	Chairman and Independent Non-Executive Director



Appendix A:

Taxation report



Appendix A: Taxation report



7 February 2024

Independent Board Committee
Newmark REIT Management Limited
Level 17, 644 Chapel Street
South Yarra VIC 3141

Income Tax and GST summary - BWP Trust off-market takeover of Newmark Property REIT

As requested by Newmark REIT Management as responsible entity for Newmark Capital (Chadstone) Property Trust (NCP) and Newmark Hardware Trust (NHT) we provide this letter as a brief and general outline as to certain specific Australian tax considerations arising from the disposal of NPR Securities for BWP units under the Offer. This outline is based on the law and the administrative practices of Australian revenue authorities as at 7 February 2024.

By necessity, it is general in nature and does not take into consideration the circumstances relating to each NPR Securityholder, which will inevitably differ. It therefore is not intended to constitute advice to any particular NPR Securityholder and does not set out all tax considerations that may be applicable. NPR Securityholders should seek their own tax advice that takes into account their own personal circumstances.

Specifically, this guide deals only with possible Australian Income tax and Goods and Services Tax (GST) considerations for NPR Securityholders who hold their NPR Securities on capital account for Australian income tax purposes and are an Australian tax resident that is:

- an individual,
- a company (other than life insurance companies),
- a trust estate, or
- a complying superannuation fund.

This guide does not consider the consequences for NPR Securityholders who:

- are in the business of trading or dealing in units,
- otherwise hold their NPR Securities on revenue account,
- are subject to the taxation of financial arrangements rules contained in Division 230 of the *Income Tax Assessment Act 1997* (Cth),
- are a bank, insurance company or tax-exempt organisation, or
- are foreign residents of Australia.

For convenience, abbreviated terms below have the same meaning as in the main body of the Newmark Property REIT Target's Statement in which this outline is included.

Brisbane
Level 15
240 Queen Street
Brisbane QLD 4000
T + 61 7 3085 0888

Melbourne
Level 10
530 Collins Street
Melbourne VIC 3000
T + 61 3 8635 1800

Perth
Level 18
197 St Georges Terrace
Perth WA 6000
T + 61 8 6184 5980

Sydney
Level 7, Aurora Place
88 Phillip Street
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T + 61 2 8059 6800



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1. Taxation on the disposal of NPR Securities

1.1. CGT event on the disposal of NPR Securities to BWP under the Offer

The time of the CGT event should be either:

- the time a NPR Securityholder accepts the Offer resulting in the disposal of their NPR Securities in exchange for BWP units, or
- where a NPR Securityholder does not dispose of their NPR Securities under the Offer and their NPR Securities are compulsorily acquired in accordance with Part 6A.1 of the Corporations Act – the time when BWP becomes the beneficial owner of the NPR Securities.

Each NPR Security is a stapled security comprising of a unit in NHT and NCP. Accordingly, each unit in NHT and NCP is a separate asset for Australian CGT purposes. This means the disposal of a NPR Security will technically give rise to a separate CGT event in respect of each unit in NHT and NCP, respectively.

2. Capital gains and losses

In the absence of scrip-for-scrip CGT roll-over relief (discussed below) the following tax considerations are relevant for NPR Securityholders that dispose of their NPR Securities:

- Australian resident NPR Securityholders may make a capital gain or capital loss on the disposal of their units in NHT and NCP (which comprise the NPR Securities).
- A capital gain will arise where the capital proceeds from the disposal of each unit (in either NHT or NCP) is more than the CGT cost base of that unit.
- A capital loss will arise where the capital proceeds from the disposal of each unit (in either NHT or NCP) are less than the reduced cost base of that unit.
- The capital proceeds for an exchange of units will be the market value of the BWP units at the time of the CGT event (that is, acceptance of the Offer). NRML will provide NPR Securityholders with a percentage allocation between NHT and NCP of the capital proceeds based on market value. In circumstances involving payment of cash consideration, rather than BWP units (for example, where an Unmarketable Parcel Securityholder is involved), the capital proceeds will simply be the cash amount.
- When calculating the cost base of units in NHT and NCP, regard should be had to any tax deferred distribution received and/or the 'AMIT cost base net amounts' advised in AMMA statement(s). Specifically:
 - tax deferred distributions received on units will reduce a NPR Securityholders CGT cost base in relation to a unit, and
 - AMIT cost base net amounts in respect of a unit can increase or decrease the CGT cost base of a unit.

Because the units in NHT and NCP are separate CGT assets the capital proceeds and the cost base of each unit needs to be considered separately when working out the capital gain or capital loss.

2.1. CGT discount

In the event that a NPR Securityholder makes a capital gain on some units and capital losses on others, the losses should be able to be applied to reduce the gains.

Appendix A: Taxation report continued



If, having regard to the disposal of all units (and any other relevant circumstances) a NPR Securityholder makes a capital gain as a result of the disposal of their units in either¹ or both NHT and NCP, they may be eligible to reduce the gain as a result of the CGT discount. The CGT discount only applies to Australian resident taxpayers that have held their units for at least 12 months and are:

- an individual,
- a complying superannuation fund, or
- a trust estate.

The CGT discount would reduce a NPR Securityholder's capital gain (after first reducing the capital gain for any capital losses) by 50% in the case of individuals and trusts, or by 33.3% for complying superannuation funds.

3. Scrip-for-scrip CGT roll-over relief

Scrip-for-scrip rollover relief may be available to defer a capital gain made by a taxpayer if, amongst other things, under an arrangement:

- a taxpayer exchanges an interest (i.e. a share or unit) in an entity for a like interest (i.e. share or unit) in another entity,
- the arrangement results in the acquirer of the interests owning at least 80% of the original or target entity,
- the acquirer does not elect for scrip-for scrip relief to not to apply and notifies the exchanging taxpayers in writing of this choice before the exchange (it is assumed that BWP would not make such a choice), and
- the taxpayer chooses relief to apply.

Importantly, scrip-for-scrip CGT rollover relief is not applicable where the disposal results in a capital loss. If scrip-for-scrip CGT is not available or not chosen, the CGT cost base of the BWP units received in the exchange will be the market value's of the NPR Securities disposed. This is expected to be equal to the price of the BWP units at the time of the CGT event (discussed above).

For completeness we note that NPR Securityholders do not need to inform the ATO, or document their choice to claim scrip for scrip roll-over relief in any particular way, other than to complete their income tax return in a manner consistent with their choice. Furthermore, it is understood that BWP will not make a choice under subsection 124-795(4) of the *Income Tax Act 1997* (Cth) to deny scrip for scrip roll-over relief (where it would otherwise be available).

Subject to the all the relevant conditions being met, a NPR Securityholder, who makes a capital gain on the disposal of their units in either or both NHT and NCP, may choose for the scrip-for scrip CGT rollover relief to apply. To the extent that CGT rollover relief applies as a consequence of this choice being made:

- the capital gain in respect of the disposal of the NHT and / or NCP Units would be disregarded,
- the first element of the NPR Securityholder's CGT cost base in the BWP units that are received under the exchange should include the CGT cost base of their units in either² or both NHT and NCP.

¹ Because the NPR Securities comprise of units in NHT and CPT, it is conceivable that a Unitholder may make a capital gain on the units in one of the trusts and a loss on the other.

² Because scrip-for-scrip CGT roll-over relief only applies to a disposal giving rise to a capital gain, it is conceivable that a NPR Securityholder may make a capital gain on units in one of the trusts and a loss on the other. If this occurs, scrip-for-scrip CGT roll-over relief only applies in relation to the gain made on the units in the gain trust (i.e. not collectively on the NPR Security). In these circumstances, the first element of the cost base of the BWP units would be equal to the sum of 1) the CGT cost base of the units in the trust for which scrip-for-scrip CGT roll-over relief applies, and 2) the market value (at the time of the exchange) of the units in the trust for which scrip-for-scrip CGT roll-over relief is not being applied.



- the NPR Securityholder's date of acquisition for CGT purposes, of the BWP units that they receive, will be deemed to be the date their NPR Securities were originally acquired, and
- a CGT event arising on a subsequent disposal of BWP units will take into account the above, 'rolled-over' CGT cost base and deemed acquisition date in calculating the resulting capital gain or loss. As noted previously, the timing of acquisition of BWP units is relevant in determining whether any subsequent capital gain on the BWP units would be eligible for the CGT discount. This is because the CGT discount only applies to CGT assets that have been held for at least 12 months.

It is worth highlighting that scrip-for-scrip CGT rollover relief will only be available once all the eligibility requirements are met. This includes the requirement that, as a result of the arrangement, BWP owns at least 80% of NPR Securities. Because the BWP Offer will become unconditional at an ownership threshold of 50.1%, it is conceivable that a situation could arise whereby less than 80% of the Securities in NPR are acquired by BWP. If this occurs and a NPR Securityholder disposes of their NPR Securities under the Offer, scrip-for-scrip CGT rollover relief will not apply.

The relative benefit of choosing CGT rollover relief (if applicable) is dependent on each NPR Securityholder's own circumstances. NPR Securityholders should obtain their own independent tax advice as to the most appropriate course of action.

4. ATO Class Ruling – Scrip-for-Scrip CGT Roll-over Relief

NPR proposes to seek a Class Ruling from the Commissioner of Taxation (Commissioner) on behalf of the NPR Securityholders in relation to the availability of scrip-for-scrip CGT rollover relief. The purpose of this Class Ruling would essentially be to formally seek the Commissioner's confirmation of the outcomes outlined above for the benefit of the NPR Securityholders.

5. GST

No GST should be payable by NPR Securityholders on the disposal of their NPR Securities under the Offer, as the exchange of units would be a financial supply that is input taxed. However, this also means that NPR Securityholders who are registered for GST, may be denied input tax credits in respect of any GST they incur in relation to costs associated with the transfer (such as any adviser fees).

6. Consequences for holding BWP units

The Bidder's Statement sets out a summary of the Australian income tax implications for NPR Securityholders in respect of their subsequent ownership of BWP units.

* * * *

Yours sincerely

Simon Tucker
Director
SW Accountants & Advisors Pty Ltd

Appendix A: Taxation report continued



Disclaimer

As you are aware, the contents of this letter of advice pertain solely to the facts, circumstances and assumptions set out in this letter of advice, which you presented to us. Our conclusions may not be valid if there is any change in those facts, circumstances and assumptions. No audit or examination of the validity of the documentation, representations, information or instructions provided has been undertaken.

We believe that the statements made in this letter of advice are accurate, but no warranty of accuracy or reliability is given. Accordingly, neither SW Accountants & Advisors Pty Ltd nor any member or employee of SW Accountants & Advisors Pty Ltd, undertakes responsibility arising in any way whatsoever to any persons other than Newmark REIT Management Limited in respect of this letter of advice, for any error or omissions herein, arising through negligence or otherwise howsoever caused.

The letter of advice is not to be used for any purposes other than those specified herein, nor may extracts or quotations be made without our express written consent.

Our letter of advice is also based on the facts and tax laws current at the date of this advice. We will not be obliged to update our advice for any future changes in the facts or the tax law unless specifically requested by you in writing.

Corporate directory

Registered Office and Principal Place of Business

Newmark Property REIT

Level 17, 644 Chapel Street
South Yarra VIC 3141

Responsible Entity

Newmark REIT Management Limited

ACN 644 715 382

Legal Adviser

Herbert Smith Freehills

Level 24, 80 Collins Street
Melbourne VIC 3000

Financial Adviser

Morgan Stanley Australia Limited

Level 39, Chifley Tower,
2 Chifley Square
Sydney NSW 2000

Taxation Adviser

SW Accountants & Advisors Pty Ltd

Level 10, 530 Collins Street
Melbourne VIC 3000

NPR Registry

Boardroom Pty Limited

Level 8, 210 George Street
Sydney NSW 2000

NPR Securityholder Information Line

If you have any questions in relation to the Offer or this Target's Statement, please contact the NPR Securityholder Information Line:

Telephone (callers within Australia):
1300 255 218

Telephone (callers outside Australia):
+61 2 9066 4084

Company Website

www.newmarkcapital.com.au

Investor Website

www.newmarkcapital.com.au/investor-centre



newmarkcapital.com.au