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21 March 2024

Online lodgement

The Manager
Market Announcements Office
ASX Limited
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Dear Sir/Madam

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Takeover bid by BWP Management Limited as responsible entity for the BWP Trust (ASX:BWP) for Newmark Property REIT (ASX:NPR) – second supplementary bidder's statement

We act for BWP Management Limited ACN 082 856 424 as responsible entity for the BWP Trust ARSN 088 581 097 (ASX:BWP) (**BWP**), in relation to its off-market takeover bid under Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**) for all of the current and to be issued securities in Newmark Property REIT (ASX:NPR) (**NPR**) (**Offer**).

Capitalised but undefined terms in this letter have the same meaning given as set out in BWP's bidder's statement dated 7 February 2024, as supplemented by the First Bidder's Statement dated 14 March 2024 (**Bidder's Statement**).

We enclose, by way of service pursuant to section 647(3)(b) of the Corporations Act a copy of BWP's second supplementary bidder's statement in relation to the Offer, which supplements the Bidder's Statement.

The second supplementary bidder's statement has been lodged today with the Australian Securities and Investments Commission and served on NPR in accordance with sections 647(3)(a) and 647(1) of the Corporations Act, respectively.

Yours faithfully

Corrs Chambers Westgarth



Andrew Lumsden
Partner

attachments

ASX release

21 March 2024

SECOND SUPPLEMENTARY BIDDER'S STATEMENT - TAKEOVER OFFER BY BWP MANAGEMENT LIMITED (AS RESPONSIBLE ENTITY FOR THE BWP TRUST) FOR NEWMARK PROPERTY REIT

*This document is a supplementary bidder's statement under s 643(1) of the Corporations Act 2001 (Cth) ("Corporations Act"). It is the second supplementary bidder's statement ("**Second Supplementary Bidder's Statement**") issued by BWP Management Limited ACN 082 856 424 as responsible entity for the BWP Trust ARSN 088 581 097 (ASX: BWP) ("**BWP**") in relation to its off-market takeover bid for all the stapled securities in Newmark Property REIT (ASX: NPR) ("**NPR**") ("**Offer**"). This Second Supplementary Bidder's Statement supplements and should be read together with BWP's bidder's statement dated 7 February 2024, as supplemented by BWP's First Supplementary Bidder's Statement dated 14 March 2024 (together, the "**Bidder's Statement**"). This Second Supplementary Bidder's Statement prevails to the extent of any inconsistency with the Bidder's Statement. A copy of this Second Supplementary Bidder's Statement was lodged with ASIC and provided to ASX on 21 March 2024. Neither ASX, ASIC nor any of their respective officers take any responsibility for the contents of this Second Supplementary Bidder's Statement or the merits of the Offer.*

This Second Supplementary Bidder's Statement is important and requires your immediate attention. This Second Supplementary Bidder's Statement does not consider your individual investment objectives, financial situation or needs. You should consider seeking independent financial and taxation advice before deciding whether to accept the Offer.

Capitalised terms used in this document not otherwise defined have the meaning given to those terms in the Bidder's Statement.

Declaring Offer unconditional

BWP is pleased to announce that it has today declared the Offer free of all Conditions set out in Annexure A of the Bidder's Statement. The Offer is now **unconditional**.

All NPR Securityholders who have already accepted the Offer will be issued the Offer Consideration within 5 Business Days of this Second Supplementary Bidder's Statement, provided that all relevant documents have been received by BWP and are correctly completed¹.

Based on acceptances to 19 March 2024, this will result in the issue of approximately 30.2 million new BWP Units. All NPR Securityholders who have not yet accepted the Offer and who accept the Offer on or after the date of this Second Supplementary Bidder's Statement will be issued the Offer Consideration within 5 Business Days of acceptance, provided that the relevant NPR Securityholder accepts before the close of the Offer, and that all relevant documents have been received by BWP and are correctly completed.

BWP is pleased with the positive response from NPR Securityholders and to be able to declare the Offer unconditional. BWP looks forward to receiving further acceptances and welcoming those NPR Securityholders who accept the Offer as BWP Unitholders. The Offer provides compelling strategic benefits and value to NPR Securityholders as well as the opportunity for NPR Securityholders to gain exposure to a larger, high quality and highly complementary portfolio.

BWP encourages all NPR Securityholders to accept the Offer without delay ahead of the Closing Date of 12 April 2024. A copy of the formal notice under section 650F of the Corporations Act declaring the Offer unconditional is available on ASX.

Best and final Offer in the absence of a competing proposal

BWP advises that, in the absence of a competing proposal, it will not increase the current Offer Consideration of 0.4 BWP Units for every 1.0 NPR Security. BWP reserves the right to extend the Offer Period beyond the currently scheduled Closing Date of 12 April 2024.

¹ For further information on the payment of Offer Consideration, please see section 15.9 of the Bidder's Statement.

As at the date of this Second Supplementary Bidder's Statement, BWP is not aware of any potential competing proposal. As BWP holds, as at 19 March 2024, voting power of 42.50 per cent in NPR, BWP considers the likelihood of a competing proposal emerging that is ultimately considered to be a superior proposal to be very low.

Accordingly, NPR Securityholders should accept the Offer now in respect of their NPR Securities.

Acquisition of Newmark REIT Management Limited ("NRML")

As set out in section 1.9 of the Bidder's Statement, once the Offer is declared or becomes unconditional, BWP Management Limited (in its personal capacity) ("**BWPM**") will acquire 100 per cent of the shares in NRML, the responsible entity for NPR, under the Share Sale and Purchase Agreement ("**SPA**"). As the Offer is now unconditional, the acquisition of NRML and completion under the SPA will occur on 27 March 2024 ("**SPA Completion Date**").

On and from the SPA Completion Date, BWPM will (as the sole shareholder of NRML and through its representatives on the NRML Board) control the decisions and the future direction of NPR to the extent permissible by the law and the ASX Listing Rules.

BWPM will, with effect on and from the SPA Completion Date:

- remove Mark Allan, Christopher Langford, Andrew Erikson and Melinda Snowden as directors of NRML, with Michael Doble to remain as a director and chairperson of NRML;
- appoint Mark Scatena and Fiona Harris as directors of NRML²;
- appoint Mark Scatena and David Hawkins as co-company secretaries of NRML;
- change NRML's name to "NPR Management Limited";
- undertake a strategic and capital management review of NPR as set out in section 7.2 of the Bidder's Statement, which will consider options for reducing leverage including:
 - reducing distributions; and
 - raising additional capital; and
- resolve to cause NRML to not pay any distributions (either by way of dividend or capital distribution) on NPR Securities or redeem, reduce, cancel, buy-back or acquire for any consideration any NPR Securities while the strategic and capital management review of NPR is ongoing,

(each a "**SPA Completion Action**").

Consistent with the intentions set out in the Bidder's Statement, on the SPA Completion Date the Investment Management Agreement between NRML (as responsible entity for NPR) and Newmark Property Funds Management Pty Ltd ACN 152 323 629 dated on or about 7 December 2021 ("**IMA**"), and the Property Management and Facilities Agreement between NRML (as responsible entity for NPR) and Newmark Asset Management Pty Ltd ACN 662 029 412 dated on or about 15 November 2021 ("**PMA**"), will be novated to BWPM and BWPM will charge all fees that it is entitled to receive under both of the IMA and PMA until BWP acquires a relevant interest in 90 per cent or more of the NPR Securities, at which point the IMA and PMA will be terminated³.

² For further information on each of Mark Scatena's and Fiona Harris' professional background, please see section 4.4 of the Bidder's Statement.

³ Details on the fee structure of NPR can be found at section 11.0 of NPR's Product Disclosure Statement, available at <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02462147-2A1343531>.

BWPM (as the investment manager of NPR under the IMA) will charge an investment management fee equal to 0.60 per cent per annum of the Gross Asset Value ("**GAV**") of NPR (before GST) under the IMA. As responsible entity of NPR, NRML is entitled to charge a management fee equal to 0.60 per cent per annum of the GAV of NPR (before GST) ("**NRML Management Fee**"). It is the present intention that for so long as BWPM is charging the investment management fee of 0.60 per cent per annum of the GAV of NPR, NRML will not charge the NRML Management Fee.

Bank consents

Given the elevated leverage of NPR, which is above its target range and in close proximity to its loan to value ("**LVR**") and interest cover ratio ("**ICR**") covenants, BWP intends, upon compulsory acquisition, to refinance the NPR debt. However, if BWP does not become entitled to proceed to compulsory acquisition, BWP may seek to reduce the financial leverage of NPR via raising additional capital in NPR in order to ensure compliance with NPR's LVR and ICR covenants.

BWPM is in the process of securing, on behalf of NRML, the relevant consents and waivers from Westpac Banking Corporation and Commonwealth Bank of Australia, as required under NPR's existing debt facilities, to enable BWPM to undertake (among other things) each SPA Completion Action.

NPR Securityholder Acceptance Update

As at 19 March 2024, BWP had a relevant interest in 75,577,581 NPR Securities representing 42.50 per cent of NPR Securities on issue.

Reasons why you should ACCEPT the Offer⁴

The Offer provides significant benefits to NPR Securityholders and **the Offer is now unconditional**.

The key reasons why you should accept the Offer include:

1. the Offer delivers a compelling premium to NPR Securityholders;
2. lower gearing and significantly improved capital position, with enhanced scale and investor relevance and continued exposure to quality assets;
3. BWP has a 25-year track record of generating superior returns for investors over the long term, with strong alignment with Wesfarmers;
4. the Independent Directors of NPR unanimously recommend the Offer, in the absence of any superior proposal;
5. the NPR Security price may fall if the Offer closes and you have not accepted the Offer;
6. there may be a reduction in liquidity in NPR Securities following BWP's declaration that the Offer is unconditional and BWP further increases its voting power in NPR, or if BWP causes NPR to no longer be traded on the ASX;
7. if you do not accept the Offer, you risk becoming a minority NPR Securityholder following BWP's declaration that the Offer is unconditional and further increases its interest in NPR, or if BWP causes NPR to no longer be traded on the ASX; and
8. no competing offer has emerged for your NPR Securities.

⁴ For further information, please see section 1 of the Bidder's Statement.

How to ACCEPT the Offer

You can ACCEPT the Offer online or by completing and returning your personalised Acceptance Form.

To accept the Offer online, login to the Offer Website (www.bwpoffer.com.au), follow the instructions, select the "Accept" option and submit your acceptance before the end of the Offer Period.

You can also accept the Offer by returning your completed and signed Acceptance Form to the address indicated on the form before the Closing Date. Alternatively, if your NPR Securities are registered in a CHESS Holding (such holdings will be evidenced by your Holder Identification Number commencing with an 'X'), you can accept the Offer by instructing your Controlling Participant (normally your broker) to accept the Offer on your behalf, before the Closing Date.

For further details on how to accept the Offer, see section 15.6 of the Bidder's Statement which can be accessed via NPR's ASX announcements page.

Further information

NPR Securityholders who have any questions in relation to the Offer should call the Offer Information Line on 1300 262 147 (or +61 3 9415 4285 for international callers), Monday to Friday between 8.30am and 5.00pm (Sydney time).

Approval of this Second Supplementary Bidder's Statement

This Second Supplementary Bidder's Statement has been approved by a unanimous resolution of the directors on the BWPM Board entitled to vote.

Signed for and on behalf of

BWP Management Limited as responsible entity for BWP:



Tony Howarth
Chairman

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