

## DISTRIBUTIONS POLICY

<i>Approving Authority</i>	Governing Board of K Raheja Corp Investment Managers LLP (“ <b>Manager</b> ” or “ <b>Investment Manager</b> ”) as the manager of Mindspace Business Parks REIT (“ <b>Mindspace REIT</b> ” or “ <b>REIT</b> ”)
<i>Approval Date</i>	December 24, 2019
<i>Effective Date</i>	This policy on distributions (“ <b>Distribution Policy</b> ” or “ <b>Policy</b> ”) shall come into effect from the date on which units are allotted to the successful applicants pursuant to the Offer.

### 1. Preamble

This Distributions Policy aims to outline the distribution framework in relation to Mindspace REIT and its Asset SPVs.

### 2. Definitions

“**Applicable Law**” means any statute, law, regulation, ordinance, rule, judgement, order, decree, bye-law, approval of any governmental agency, directive, guideline, policy, requirement or other government restriction or any similar form of decision of or determination by, or any interpretation having the force of law of any of the foregoing governmental agency having jurisdiction, applicable to any party, in force from time to time, including but not limited to the REIT Regulations;

“**Asset SPVs**” shall collectively mean, Avacado Properties and Trading (India) Private Limited, Gigaplex Estate Private Limited, Horizonview Properties Private Limited, Intime Properties Limited, K.Raheja IT Park (Hyderabad) Limited, KRC Infrastructure and Projects Private Limited, Mindspace Business Parks Private Limited, Sundew Properties Limited and any other special purpose vehicles which may form part of Mindspace REIT.

“**SEBI**” shall mean Securities and Exchange Board of India.

“**REIT Regulations**” shall mean SEBI (Real Estate Investment Trusts) Regulations, 2014, as amended from time to time and circulars issued by the Securities and Exchange Board of India time to time.

“**Unit**” shall mean an undivided beneficial interest in Mindspace REIT, and such Units together represent the entire beneficial interest in Mindspace REIT.

“**Unitholders**” shall mean any person who holds any Unit of Mindspace REIT.

### 3. Distribution Mechanism

- a. The net distributable cash flows of Mindspace REIT are based on the cash flows generated from Mindspace REIT’s assets.
- b. In terms of the REIT Regulations, not less than 90% of the net distributable cash flows of the Asset SPVs are required to be distributed to Mindspace REIT, in proportion of their shareholding in the Asset SPV, subject to applicable provisions of the Companies Act, 2013 and the Limited Liability Partnership Act, 2008. Presently, cash flows receivable by Mindspace REIT may be in the form of dividends, interest income, principal repayment,

proceeds of any capital reduction or buyback from the Asset SPVs or as specifically permitted under the Trust Deed or in such other form as may be permissible under the Applicable Laws.

- c. The Manager shall declare and distribute at least 90% of the net distributable cash flows of Mindspace REIT as distributions (“**REIT Distributions**”) to the Unitholders. Such REIT Distributions shall be declared and made for every quarter of a Financial Year. Further, in accordance with the REIT Regulations, REIT Distributions shall be made no later than 15 days from the date of such declarations. The REIT Distributions, when made, shall be made in Indian Rupees. The net distributable cash flows shall be calculated as per Annexure A to this Policy as may be amended by the Manager from time to time.
- d. Since the establishment of Mindspace REIT, there have not been any distributions made on the Units. Mindspace REIT’s Distribution Policy is to distribute as per Mindspace REIT’s net distributable cash flows (the “**Net Distributable Cash Flows**”). Mindspace REIT’s distribution policy is to distribute at least 90% of the Net Distributable Cash Flows of Mindspace REIT.
- e. Presently, Mindspace REIT proposes to calculate REIT Distributions in the manner provided in Annexure A.
- f. In terms of the REIT Regulations, if the distribution is not made within 15 days of declaration, the Manager shall be liable to pay interest to the Unitholders at the rate of 15% per annum until the distribution is made. Such interest shall not be recovered in the form of fees or any other form payable to the Manager by Mindspace REIT.

## ANNEXURE A

### 1. Calculation of net distributable cash flows at each Asset SPVs / Holding Cos

Description	Amount
<b>Profit after tax as per Statement of profit and loss/income and expenditure (standalone) (A)</b>	XX
Add: Depreciation and amortisation as per Statement of profit and loss/income and expenditure	XX
Add/less: Loss/gain on sale of real estate assets	XX
Add: Proceeds from sale of real estate assets, liquidation of any other asset or investment (incl. cash equivalents) or any form of fund raise at the Asset SPV level adjusted for the following: <ul style="list-style-type: none"> <li>• debts settled or due to be settled from sale proceeds</li> <li>• transaction costs</li> <li>• proceeds re-invested or planned to be re-invested as per the REIT Regulations</li> <li>• any acquisition</li> <li>• investment in any form as permitted under the REIT Regulations</li> </ul> as may be deemed necessary by the Manager	XX
Add: Proceeds from sale of real estate assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently	XX
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items), as may be deemed necessary by the Manager. For example, any decrease/increase in carrying amount of an asset or of a liability recognised in Statement of profit and loss/income and expenditure on measurement of the asset or the liability at fair value, interest cost as per effective interest rate method, deferred tax, lease rents recognised on a straight line basis, etc.	XX
Add: Cash flow received from Asset SPV and investment entity, if any including (applicable for Holdco only, to the extent not covered above): <ul style="list-style-type: none"> <li>• Repayment of the debt in case of investments by way of debt</li> <li>• Proceeds from buy-backs/ capital reduction</li> </ul>	XX
Add: Interest on borrowings from Mindspace REIT	XX
Add/Less: Other adjustments, including but not limited to net changes in security deposits, working capital, etc., as may be deemed necessary by the Manager	XX
Less: Any expense in the nature of capital expenditure including capitalized interest thereon (to the parties other than Mindspace REIT), overheads, etc.	XX
Less: net debt repayment / (drawdown) / redemption of preference shares / debentures / any other such instrument / premiums / any other obligations / liabilities etc., to parties other than Mindspace REIT, as may be deemed necessary by the Manager	XX
Less: Proceeds to shareholders other than REIT through buyback of shares / capital reduction / dividend paid on preference or equity capital, dividend distribution tax if any paid on the same, and further including dividend distribution tax if applicable on distribution to REIT	XX
<b>Total Adjustments (B)</b>	XX
<b>Net Distributable Cash Flows (C)=(A+B)</b>	XX

*Note: In accordance with REIT Regulations, not less than 90% of NDCF of the Asset SPV shall be distributed to Mindspace REIT/ holdco, by way of (i) interest on Shareholder Debt; (ii) repayment of Shareholder Debt; (iii) dividends in proportion of its holding in the Asset SPV; or (iv) share / preference share buyback and capital reduction, etc., all of which are subject to compliance with relevant provisions under the Companies Act, 2013 and any other applicable law and in any other form permitted under applicable law*

## 2. Calculation of net distributable cash flows at the standalone Mindspace REIT level

<b>Description</b>	<b>Amount</b>
Cash flows received from Asset SPVs including but not limited to: <ul style="list-style-type: none"> <li>• Interest</li> <li>• Dividends (net of applicable taxes)</li> <li>• Repayment of REIT Funding</li> <li>• Proceeds from buy-backs/ capital reduction (net of applicable taxes)</li> <li>• Redemption proceeds from preference shares or any other similar instrument</li> </ul>	xx
Add: Proceeds from sale of investments, assets, sale of shares of Asset SPVs, liquidation of any other asset or investment (incl. cash equivalents) or any form of fund raise at the Mindspace REIT level adjusted for the following: <ul style="list-style-type: none"> <li>• applicable capital gains and other taxes, if any</li> <li>• -debts settled or due to be settled from sale proceeds</li> <li>• transaction costs</li> <li>• proceeds re-invested or planned to be re-invested as per the REIT Regulations</li> <li>• any acquisition</li> <li>• investments as permitted under the REIT Regulations</li> <li>• lending to Asset SPVs</li> </ul> as may be deemed necessary by the Manager	xx
Add: Proceeds from sale of investments, assets or sale of shares of Asset SPVs not distributed pursuant to an earlier plan to re-invest as per the REIT Regulations, if such proceeds are not intended to be invested subsequently	xx
Add: Any other income received by Mindspace REIT not captured herein	xx
Less: Any other expenses paid by Mindspace REIT not captured herein	xx
Less: Any expense in the nature of capital expenditure at Mindspace REIT level	xx
Less: net debt repayment / (drawdown), redemption of preference shares / debentures / any other such instrument / premiums / any other obligations / liabilities, etc., as may be deemed necessary by the Manager	xx
Add/Less: Other adjustments, including but not limited to net changes in security deposits, working capital, etc., as may be deemed necessary by the Manager	
Less: Interest paid on external debt borrowing at the Mindspace REIT level	
Less: Income tax and other taxes (if applicable) at the standalone Mindspace REIT level	xx
<b>Net Distributable Cash Flows (NDCF)</b>	<b>xx</b>