

NOMINATION AND REMUNERATION POLICY

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

1. **APPLICABILITY:**

This Policy is applicable to Mindspace REIT and shall be implemented through the Manager.

2. **OBJECTIVE AND PURPOSE:**

This Policy lays down a framework and provides guidance for the selection, appointment and reappointment of members of governing board of the Manager of Mindspace REIT (“**Governing Board**”) and its Key Managerial Personnel (KMPs). The Policy aims at ensuring that the Governing Board of the Manager consists of persons with a diverse range of skills and qualities required for the growth of Mindspace REIT and also to ensure that the interests of Mindspace REIT and its stakeholders are promoted, protected and aligned.

3. **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;

“**Offer**” shall mean the initial offer of Units to public by Mindspace REIT;

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

“**SEBI REIT Regulations/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

4. **PRINCIPLES FOR SELECTION AND APPOINTMENT OF MEMBERS OF GOVERNING BOARD OF THE MANAGER AND THE KEY MANAGERIAL PERSONNEL**

- 4.1 The Governing Board shall identify persons and recommend appointment, reappointment and removal of persons as members and Key Managerial Personnel in accordance with the criteria laid down. This responsibility is entrusted to the Nomination and Remuneration Committee (“**NRC Committee/ Committee**”) on behalf of the Governing Board. NRC Committee shall comprise 3 Directors majority of which will be independent directors.
- 4.2 The Members of the Governing Board and the KMPs should comprise persons combining expertise, know-how and personal attributes that allow Mindspace REIT to:
- understand the operations and requirements of Mindspace REIT’s business and the environment in which it operates;
 - discharge duties and responsibilities in accordance with the prescribed legal framework;
- 4.3 The role of the NRC Committee shall, inter-alia, include the following:
- i. formulation of the criteria for determining qualifications, positive attributes and independence of a member and recommend to the Governing Board the remuneration of the members of the Governing Board and KMPs;
 - ii. the NRC Committee, while adopting this policy, should ensure that:
 - the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate members of the quality required to run Mindspace REIT successfully;
 - relationship of remuneration to performance is clear and meets appropriate performance standards; and
 - iii. formulation of criteria for evaluation of performance of independent and non-independent members of the Governing Board and key managerial personnel of the Manager;
 - iv. identifying persons who are qualified to become members in accordance with the criteria laid down, and recommend to the Board their appointment, term and removal and shall carry out evaluation of every member’s performance (including independent member);
 - v. recommend to the Governing Board, all remuneration, in whatever form, payable to the members;
 - vi. whether to extend or continue the term of appointment of the independent member, on the basis of the report of performance evaluation of members;
 - vii. frame suitable policies / procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
 - the Securities and Exchange Board of India (Real Estate Investment Trust) Regulations, 2014;
 - the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and

- the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by Mindspace REIT and its employees, as applicable.
 - Carrying out any other function as prescribed under Applicable Law.
 - perform such other activities as may be delegated by the Governing Board or specified under the SEBI Listing Regulations, as amended or by any other applicable law or regulatory authority.
- viii. The NRC Committee shall consider the selection and appointment of the Members and make a recommendation to the Governing Board, where necessary. The NRC Committee may engage in informal discussions with the members of the Governing Board for the purpose. Alternatively, a member of the Governing Board may recommend to the NRC Committee a candidate for a position on the Governing Board.
- ix. The NRC Committee is required to assess whether there is a suitable position for the candidate nominated and shall also evaluate whether the nominated candidate meets the criteria and is suitable for the position.
- x. In the process of appointment of a member on the Governing Board by the NRC Committee, due consideration should be given by the NRC Committee to the following:
- Proficiency of the management to identify gaps that could be bridged to build and strengthen the Governing Board;
 - Identify the areas in which there may be a lack of skills, in order to increase effectiveness;
 - Need of the current and future business plans of Mindspace REIT;
 - Extent of contribution by the incumbent to Mindspace REIT, to improve the overall performance of Mindspace REIT;
 - Extent of contribution to overall effectiveness of the Governing Board;
 - Expertise that that the candidate shall bring to the role that will contribute to Mindspace REIT's goals;
 - The contribution to Mindspace REIT so as to enhance and maximise the stakeholders' value;
 - Independence of such candidate under the provisions of the SEBI REIT Regulations, Companies Act, 2013 and SEBI Listing Regulations, if and as may be applicable.
- 4.4 Accordingly, in selecting and recommending potential new member the NRC Committee should identify the competencies required to enable the Governing Board to fulfil their respective responsibilities within the framework of the overall objectives and goals of Mindspace REIT and wherever applicable, should also have regard to the results of the annual appraisals of the relevant person's past performance, of the Governing Board.
- 4.5 If the candidate is found suitable, the NRC Committee shall recommend the candidate to the Governing Board for appointment as member. Unless so required by the NRC Committee, the Executive Members may subject to the above principles decide on the recruitment of a suitable candidate.

- 4.6 A member who retires at an annual general meeting may, if willing to act, be re-appointed and is subject to the selection and appointment procedures outlined above. The re-election shall also be dependent upon the evaluation of such members' performance by the Board.
- 4.7 In selecting and recommending potential new KMP, the NRC Committee should identify the competencies required to enable the KMP to fulfil its respective responsibilities within the framework of the overall objectives and goals of Mindspace REIT and wherever applicable, should also have regard to the results of the annual appraisals of the relevant person's past performance elsewhere, if accessible
- 4.8 The NRC Committee may engage recruitment consultants as and when required to undertake search for new candidates for new positions on the Governing Board or KMPs and/or may consult other independent experts where it considers necessary to carry out its duties and responsibilities.

5. EVALUATION OF GOVERNING BOARD MEMBERS AND KMPs

- 5.1 The performance of each member (Independent and Non-Independent) and KMP shall be reviewed on an annual basis by the NRC Committee along with the head of human resources or any other invitee as may be deemed necessary, which may use such external support as may be required to undertake such reviews.
- 5.2 The performance of each member (whether Independent or Non-Independent) and KMP shall be evaluated annually against the Goal set as may be decided by the Governing Board from time to time. The NRC Committee shall discuss the findings of the evaluation and give its recommendation to the Board in this regard. However, the actual evaluation shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Governing Board.
- 5.3 The NRC Committee shall be responsible to review implementation and compliance with the manner of effective evaluation, whether done internally or through any expert hired for the purpose.

6. POLICY FOR REMUNERATION OF THE MEMBERS OF GOVERNING BOARD AND KMPs

- 6.1 The objective of Mindspace REIT's remuneration policy is to attract, motivate and retain qualified expert individuals that Mindspace REIT needs in order to achieve its strategic and operational objectives, whilst acknowledging the context around remuneration and recognising the interests of Mindspace REIT's stakeholders.
- 6.2 In determining the remuneration policy, it shall be ensured that a competitive remuneration package for talent is maintained. The level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate and drive the direction that is required to run Mindspace REIT in achieving its goals;
- 6.3 The relationship of remuneration to performance is clear and shall meet appropriate performance benchmarks; and remuneration to members of the Governing Board and KMPs may include performance bonus, reflecting short and long-term performance objectives appropriate to the working of Mindspace REIT and its goals.

- 6.4 In designing and setting the levels of remuneration for the members of the Board and for KMPs of Mindspace REIT, the NRC Committee/Board/Executive Member shall also take into account the relevant statutory provisions and provisions relating to corporate governance, societal and market trends and the interests of stakeholders.
- 6.5 The remuneration/ compensation/ commission for the members (including annual increments, if any) will be determined by the NRC Committee and intimated to the Board.
- 6.6 All pecuniary relationship or transactions of the members of Governing Board vis-à-vis Mindspace REIT shall be disclosed in the Annual Report. Additionally, the following disclosures shall be made in the Annual Report of Mindspace REIT:
- All fees or any other remuneration paid to members of the Governing Board; Alternatively, this may be put up on Mindspace REIT's website and reference drawn thereto in the annual report;
 - Mindspace REIT shall disclose the number of units and other instruments held by a member of the Governing Board in the Annual Report;
 - Members of the Governing Board shall be required to disclose their unitholding in the listed Mindspace REIT in which they are proposed to be appointed as members, prior to their appointment. These details should be disclosed in the notice to the general meeting called for appointment of such member.

7. AMENDMENT

Notwithstanding the above, this Policy will stand amended to the extent of any change in Applicable Laws. The Governing Board of the Manager reserves the right to amend or modify this Policy in whole or in part.