

## POLICY ON APPOINTMENT OF AUDITOR AND VALUER

<i>Approving Authority</i>	Governing Board of K. Raheja Corp Investment Managers LLP (“ <b>Manager</b> ” or “ <b>Investment Manager</b> ”), 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 policy on appointment of auditor and valuer of Mindspace REIT (“ <b>Policy</b> ”) shall come into effect from the date of its approval adoption in the meeting of the Governing Board.

### 1. Preamble

- i. This policy aims at formulating a structure for ensuring compliance by Mindspace REIT, in appointment of auditor and the valuer in accordance with applicable law, including the SEBI REIT Regulations.
- ii. This Policy will be adopted by the Governing Board and the Manager shall, at all times, comply with the requirements under SEBI REIT Regulations and the applicable law.

### 2. Definitions

- i. “**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;
- ii. “**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 such other SPVs that shall form part of Mindspace REIT in future.
- iii. “**Designated Stock Exchange**” is a stock exchange, which is a recognised stock exchange in which Units of Mindspace REIT are listed and which is chosen by Mindspace REIT as a designated stock exchange for the purpose of the initial offer of Units of Mindspace REIT under the SEBI REIT Regulations.
- iv. “**Governing Board**” shall mean the governing board of the Manager.
- v. “**Parties to Mindspace REIT**” shall include the Sponsor Group, the Trustee and the Investment Manager as stated in the REIT Regulations.
- vi. “**Policy**” shall mean this policy on appointment of auditor and valuer, as amended from time to time.
- vii. “**REIT Assets**” shall mean the real estate assets and any other assets held by Mindspace REIT, on a freehold or leasehold basis, whether directly or through a holdco and/or a special purpose vehicle as stated in the REIT Regulations and amendment thereof from time to time.
- viii. “**Related Party**” shall have such meaning as assigned under the SEBI REIT Regulations
- ix. “**SEBI REIT Regulations / REIT Regulations**” shall mean SEBI (Real Estate Investment Trusts) Regulations, 2014, as amended from time to time and circulars, notifications or guidelines issued by the Securities and Exchange Board of India time to time.

- x. “**SEBI**” shall mean Securities and Exchange Board of India.
- xi. “**Sponsor**” shall have such meaning as assigned under the SEBI REIT Regulations or as approved by SEBI.
- xii. “**Trustee**” shall mean Axis Trustee Services Limited or such other trustee as appointed for Mindspace REIT, in accordance with the REIT Regulations.
- xiii. “**Unit**” shall mean an undivided beneficial interest in Mindspace REIT, and such Units together represent the entire beneficial interest in Mindspace REIT.
- xiv. “**Unitholders**” shall mean any person who holds any Unit of Mindspace REIT.
- xv. “**Valuer**” shall have the meaning set forth in the SEBI REIT Regulations (which includes the requirement of being registered as a ‘registered valuer’ as per Section 247 of the Companies Act, 2013, as amended from time to time) and the Companies (Registered Valuers and Valuation) Rules, 2017, as amended from time to time.

### **3. Appointment of Auditor**

- i. The Manager as per recommendation of the Audit Committee and approval of the Governing Board, in consultation with the Trustee, shall appoint the auditor in a timely manner and in accordance with the SEBI REIT Regulations. Such appointment shall be carried out by the Governing Board or the Audit Committee of the Investment Manager, with the approval of the Unitholders as required under the SEBI REIT Regulations.
- ii. The Investment Manager shall appoint an auditor for a period of not more than five consecutive years, provided that the auditor, not being an individual, may be reappointed for a period of another five consecutive years, subject to approval of the Unitholders in the annual meeting in accordance with provisions of the SEBI REIT Regulations.
- iii. The auditor, so appointed, shall be one who has subjected himself to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and who holds a valid certificate issued by the Peer Review Board of ICAI.
- iv. The Manager shall ensure that the appointment of the auditor and the fees payable to the auditor is approved by the Unitholders, in accordance with the SEBI REIT Regulations.

### **4. Compliance Requirements and Audit Standards**

- i. The Investment Manager shall ensure that the audit of accounts of Mindspace REIT and its reporting to the Designated Stock Exchange is done as stipulated in SEBI REIT Regulations.
- ii. The auditor shall comply with the following conditions at all times –
  - a) the auditor shall conduct audit of the accounts of Mindspace REIT and draft the audit report based on the accounts examined by him and after taking into account the relevant accounting and auditing standards, as may be specified by SEBI;
  - b) the auditor shall, to the best of his information and knowledge, ensure that the accounts and financial statements give a true and fair view of the state of the affairs of Mindspace REIT, including profit or loss and cash flow for the period and such other matters as may be specified;
  - c) the auditor shall have a right of access at all times to the books of accounts and vouchers pertaining to activities of Mindspace REIT;
  - d) the auditor shall have a right to require such information and explanation pertaining to activities of Mindspace REIT as he may consider necessary for the performance of his duties as an auditor from the

employees of Mindspace REIT or the Parties to Mindspace REIT or SPV or any other person in possession of such information.

## **5. Removal of Auditor**

- i. The Manager, as per recommendation of the Audit Committee and approval of the Governing Board in consultation with the Trustee, may remove the auditor in accordance with SEBI REIT Regulations if the auditor fails to comply with the provisions of the Applicable Law.
- ii. The Unitholders may request for removal of the auditor and appointment of another auditor to Mindspace REIT in accordance with the SEBI REIT Regulations.
- iii. In case of removal of the auditor and appointment of another auditor to Mindspace REIT has been taken up at the request of the Unitholders, approval from the Unitholders shall be required where votes cast in favour of the resolution shall not be less than one and a half times the votes cast against the resolution.

## **6. Appointment of Valuer**

- i. The Manager, as per recommendation of the Audit Committee and approval of the Governing Board, in consultation with trustee of Mindspace REIT, shall appoint the Valuer of Mindspace REIT, in a timely manner and in accordance with the SEBI REIT Regulations.
- ii. The Manager shall ensure the appointment of the Valuer is approved by the Unitholders in accordance with SEBI REIT Regulations.
- iii. The remuneration of the Valuer shall not be linked to or based on the value of the assets being valued.
- iv. The Valuer shall not be an associate of the Sponsor, the Manager or Trustee.
- v. The Valuer shall have not less than five years of experience in valuation of real estate assets.
- vi. A Valuer shall not undertake valuation of the same property for more than four years consecutively, provided that the Valuer may be reappointed after a period of not less than two years from the date it ceases to be the Valuer of Mindspace REIT.
- vii. In case of any material development that may have an impact on the valuation of the REIT Assets, then Manager shall require the Valuer to undertake full valuation of the property under consideration within not more than two months from the date of such event and disclose the same to the Trustee, investors and the Designated Stock Exchanges within 15 days of such valuation.
- viii. The Valuer shall not undertake valuation of any assets in which it has either been involved with the acquisition or disposal within the last twelve months other than such cases where the Valuer was engaged by Mindspace REIT for such acquisition or disposal.
- ix. A full valuation shall be conducted by the Valuer at least once in every financial year. Provided that such full valuation shall be conducted at the end of the financial year ending March 31st within three months from the end of such year.
- x. The full valuation report prepared by the Valuer shall include a detailed valuation of all assets by the Valuer including physical inspection of every property by the Valuer and the mandatory minimum disclosures as specified in Schedule V to the SEBI REIT Regulations.
- xi. A half yearly valuation of the REIT Assets shall be conducted by the Valuer for the half-year ending on September 30 for incorporating any key changes in the previous six months and such half yearly valuation report shall be prepared within 45 days from the date of end of such half year.
- xii. Valuation reports received by the Manager shall be submitted to the Designated Stock Exchange and Unitholders within 15 days from the receipt of such valuation reports.

## **7. Compliance Requirements for the Valuer**

The Valuer shall comply with the following conditions at all times:

- i. the Valuer shall ensure that the valuation of Mindspace REIT Assets is impartial, true and fair and is in accordance with Regulation 21 of the SEBI REIT Regulations;
- ii. the Valuer shall implement adequate and robust internal controls to ensure the integrity of its valuation reports;
- iii. the Valuer shall ensure that it has sufficient key personnel with adequate experience and qualification to perform property valuations at all times;
- iv. the Valuer shall ensure that it has sufficient financial resources to enable it to conduct its business effectively and meet its liabilities;
- v. the Valuer and any of its employees involved in valuing of the assets of Mindspace REIT, shall not:
  - a) invest in units of Mindspace REIT or in the assets being valued; or
  - b) sell the assets or units of Mindspace REIT held prior to being appointed as the Valuer, until the time such person is designated as Valuer of Mindspace REIT and not less than six months after ceasing to be Valuer of Mindspace REIT;
- vi. the Valuer shall conduct valuation of the REIT Assets with transparency and fairness and shall render, at all times, high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment;
- vii. the Valuer shall act with independence, objectivity and impartiality in performing the valuation;
- viii. the Valuer shall discharge its duties towards Mindspace REIT in an efficient and competent manner, utilizing its knowledge, skills and experience in best possible way to complete given assignment;
- ix. the Valuer shall not accept remuneration, in any form, for performing a valuation of the REIT Assets from any person other than Mindspace REIT or its authorized representative;
- x. the Valuer shall before accepting any assignment, from any related party of Mindspace REIT shall, disclose to Mindspace REIT, any direct or indirect consideration which the Valuer may have in respect of such assignment;
- xi. the Valuer shall disclose to the Trustee any pending business transactions, contracts under negotiation and other arrangements with the Manager or any other party whom Mindspace REIT is contracting with and any other factors that may interfere with the Valuer's ability to give an independent and professional valuation of the property;
- xii. the Valuer shall not make false, misleading or exaggerated claims in order to secure assignments;
- xiii. the Valuer shall not provide misleading valuation, either by providing incorrect information or by withholding relevant information;
- xiv. the Valuer shall not accept any assignment that includes reporting of the outcome based on predetermined opinions and conclusions required by Mindspace REIT; and
- xv. the Valuer shall, prior to performing a valuation, acquaint itself with all laws or regulations relevant to such valuation

## **8. Removal of Valuer**

- i. The Manager, as per recommendation of the Audit Committee and approval of the Governing Board, in consultation with the Trustee, may remove the Valuer in accordance with SEBI REIT Regulations if the Valuer fails to comply with the provisions of the SEBI REIT Regulations .
- ii. The Unitholders may request for removal of the Valuer and appointment of another valuer to Mindspace REIT in accordance with the SEBI REIT Regulations. In case of removal of the Valuer and appointment of another Valuer to Mindspace REIT has been taken up at the request of the Unitholders, approval from the Unitholders shall be required where votes cast in favour of the resolution shall not be less than one and a half times the votes cast against the resolution

**9. Conflict with Law**

- i. This Policy shall not contradict with the provisions of any Applicable Law. In case of any discrepancy, the provisions of Applicable Law shall prevail over the provisions of this Policy.
- ii. Notwithstanding the above, this Policy will stand amended to the extent of any change in Applicable Law, including any amendment to the SEBI REIT Regulations, without any action from the Investment Manager or approval of the Unitholders of Mindspace REIT.