

## **DISTRIBUTION POLICY**

<b>Effective Date</b>	This policy on distribution (“ <b>Distribution Policy</b> ” or “ <b>Policy</b> ”) shall come into effect from February 16, 2021.
<b>Approval Date</b>	September 26, 2020 and amended on August 7, 2024
<b>Approved By</b>	Board of Directors of Brookprop Management Services Private Limited (“ <b>Manager</b> ”) in its capacity as the manager of the Brookfield India Real Estate Trust (the “ <b>Brookfield REIT</b> ” or “ <b>REIT</b> ”)
<b>Total pages</b>	6

## 1. Overview

In accordance with the provisions of Regulation 18 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, this Distribution Policy aims to outline the distribution framework in relation to the Brookfield REIT to be adopted by board of directors of the Manager (“**Board**”).

## 2. Applicability

This Distribution Policy is applicable to the Manager, the Brookfield REIT, the Asset SPVs and CIOP in connection with the distributions of the Brookfield REIT.

## 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.

“**Asset SPVs**” shall collectively mean, Candor Kolkata One Hi-Tech Structures Private Limited, Shantiniketan Properties Private Limited, Festus Properties Private Limited and any other special purpose vehicles which may form part of the Brookfield REIT.

“**Board**” shall mean the board of directors of the Manager.

“**Brookfield REIT**” / “**REIT**” shall mean the Brookfield India Real Estate Trust.

“**CIOP**” shall mean Candor India Office Parks Private Limited.

“**Distribution Policy**” / “**Policy**” shall mean this policy on distribution, as amended from time to time.

“**HoldCo**” shall mean a holdco/ holding company as defined under the Regulation 2(1)(qa) of the REIT Regulations.

“**Manager**” shall mean Brookprop Management Services Private Limited.

“**REIT Regulations**” shall mean SEBI (Real Estate Investment Trusts) Regulations, 2014, as amended from time to time and circulars, notifications or guidelines issued by SEBI from time to time.

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

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

“Unitholders” shall mean any person who holds any Unit of the Brookfield REIT.

#### 4. Distribution Mechanism

- a. The net distributable cash flows of Brookfield REIT are based on the cash flows generated from Brookfield REIT’s assets.
- b. All REIT Distributions shall be made in accordance with Regulation 18(16) of the REIT Regulations.
- c. 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 Brookfield REIT, in proportion of its shareholding in the Asset SPV, subject to applicable provisions of the Companies Act, 2013. Presently, cash flows receivable by Brookfield REIT may be in the form of dividends, interest income, principal loan repayment, proceeds of any capital reduction or buyback from the Asset SPVs/ CIOP, sale proceeds out of disposal of investments of any or assets directly/indirectly held by Brookfield REIT or as specifically permitted under the Trust Deed or in such other form as may be permissible under the Applicable Laws.
- d. The Manager shall declare and distribute at least 90% of the net distributable cash flows of Brookfield REIT as distributions (“**REIT Distributions**”) to the Unitholders. Such REIT Distributions shall be declared and made once 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.
- e. The REIT Distributions, when made, shall be made in Indian Rupees.
- f. The REIT Distributions shall be made by electronic fund transfer or by such other manner of payment in accordance with Applicable Law;
- g. The form, frequency and amount of future REIT Distributions on the Units will depend on the earnings, financial position and results of operations of the Brookfield REIT, as well as contractual restrictions, provisions of Applicable Law, or any other *force majeure* events.
- h. Presently, the net distributable cash flows shall be calculated as per Annexure A of this Policy, as may be amended by the Manager from time to time in accordance with Applicable Laws.
- i. The Manager shall maintain records for at least seven years, pertaining to distribution declared and made to the Unitholders.
- j. If any property is sold by the Brookfield REIT or its Asset SPVs or if the equity shares or interest in the Asset SPVs is sold by the Brookfield REIT, and the Brookfield REIT proposes not to invest the sales proceeds made into any other property, within a period of one year, it shall be required to distribute not less than 90% of the sales proceeds in accordance with the REIT Regulations.
- k. If any property is sold by the Brookfield REIT or its Asset SPVs or if the equity shares or interest in the Asset SPVs is sold by the Brookfield REIT, and if the Brookfield REIT proposes to invest the sales proceeds made into any other property, it shall not be required to distribute proceeds from such sale to the Unitholders of the Brookfield REIT.

- l. In terms of the REIT Regulations, if the distribution is not made within 5 working days from the record date<sup>1</sup>, the Manager shall be liable to pay an 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 Brookfield REIT.
- m. In the event of dissolution of the Brookfield REIT, all of the assets of the Brookfield REIT or the proceeds therefrom shall be distributed or used as follows and in the following order of priority:
  - (i) First, towards the payment of the debts and liabilities of the Brookfield REIT, including without limitation of any statutory dues of the Brookfield REIT and also any statutory dues and amounts due to the Trustee (including but not limited to trustee remuneration), the Manager, or a service provider to the Brookfield REIT and any expenses incurred for the dissolution of the Brookfield REIT;
  - (ii) Second, towards the setting up of any reserves which the Trustee (on the advice of the Manager) or the authority in-charge of winding up of the affairs of the Brookfield REIT may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Brookfield REIT; and
  - (iii) Third, to the Unitholders in ratio of their Unitholding.
- n. Deduction of taxes:
  - (i) The Trustee shall, subject to advice of the Manager, make any deductions of taxes, cess, fees, charges, assessments and duties that may be required to be deducted or withheld under Applicable Law before making any payment to any Unitholder, whether by way of distribution, redemption of any Units or otherwise. However, the Manager shall be responsible for deducting all types of taxes and deposit with the relevant governmental agency as per the Applicable Law.
  - (ii) The Trustee or the Manager, as the case may be, shall not be liable to account to any Unitholder or otherwise for any payment made or suffered by the Trustee or the Manager in good faith to any duly empowered revenue authority for taxes or other charges in any way arising out of or relating to any transactions of whatsoever nature under these presents, notwithstanding that any such payment ought not to be or need not have been made or suffered.
- o. In the event of formulation and adoption of a HoldCo structure by the Brookfield REIT, the distribution of net distributable cash flows by the Holdco to the Brookfield REIT shall be undertaken in accordance with the terms of the REIT Regulations and will be subject to applicable provisions of the Companies Act, 2013.

## 5. Amendment of the Policy

Notwithstanding the above, this Policy will stand amended to the extent of any change in Applicable Laws without any action of the Manager or approval of the Unitholders. The Board reserves the right to amend or modify this Policy, in whole or in part, from time to time, in accordance with Applicable Law.

---

<sup>1</sup> Pursuant to the clause 5 of the policy, the above clause 4.1 is substituted in accordance with the amendment made under regulation 18(16)(c) of REIT Regulations vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 dated September 26, 2024 by SEBI.

## ANNEXURE A

### Calculation of net distributable cash flows at each Asset SPVs level & CIOP

Particulars
<b>Cash flow from operating activities as per Cash Flow Statement of HoldCo/ SPV</b>
<b>(+) Cash Flows received from SPV's which represent distributions of NDCF computed as per relevant framework (refer note 1 and 9 below) (<i>relevant in case of HoldCos</i>)</b>
(+) Treasury income / income from investing activities (interest income received from FD, tax refund, any other income in the nature of interest, profit on sale of Mutual funds, investments, assets etc., dividend income etc., excluding any Ind AS adjustments. Further clarified that these amounts will be considered on a cash receipt basis)
(+) Proceeds from sale of real estate investments, real estate assets or shares of SPVs or Investment Entity adjusted for the following <ul style="list-style-type: none"> <li>• Applicable capital gains and other taxes</li> <li>• Related debts settled or due to be settled from sale proceeds</li> <li>• Directly attributable transaction costs</li> <li>• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of REIT Regulations or any other relevant provisions of the REIT Regulations</li> </ul>
(+) Proceeds from sale of real estate investments, real estate assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of REIT Regulations or any other relevant provisions of the REIT Regulations, if such proceeds are not intended to be invested subsequently
(-) Finance cost on Borrowings, excluding amortisation of any transaction costs as per Profit and Loss Account and any shareholder debt / loan from Trust
(-) Debt repayment (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments / debt refinanced through new debt, in any form or equity raise as well as repayment of any shareholder debt / loan from Trust )
(-) any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any: (i). loan agreement entered with banks / financial institution from whom the Trust or any of its SPVs/ HoldCos have availed debt, or (ii). terms and conditions, covenants or any other stipulations applicable to debt securities issued by the Trust or any of its SPVs/ HoldCos, or (iii). terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the Trust or any of its SPVs/ HoldCos, or (iv). agreement pursuant to which the SPV/ HoldCo operates or owns the real estate asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or (v). statutory, judicial, regulatory, or governmental stipulations; or – (refer note 2)
(-) any capital expenditure on existing assets owned / leased by the SPV or Holdco, to the extent not funded by debt / equity or from reserves created in the earlier years (refer note 10)
<b>NDCF for HoldCo/SPV's</b>

## Calculation of net distributable cash flows at the Brookfield REIT level

Particulars
<b>Cashflows from operating activities of the Trust</b>
(+) Cash flows received from SPV's / Investment entities which represent distributions of NDCF computed as per relevant framework (refer note 1 and 9 below)
(+) Treasury income / income from investing activities of the Trust (interest income received from FD, any investment entities as defined in Regulation 18(5), tax refund, any other income in the nature of interest, profit on sale of Mutual funds, investments, assets etc., dividend income etc., excluding any Ind AS adjustments. Further clarified that these amounts will be considered on a cash receipt basis)
(+) Proceeds from sale of real estate investments, real estate assets or shares of SPVs/Holdcos or Investment Entity adjusted for the following <ul style="list-style-type: none"> <li>• Applicable capital gains and other taxes</li> <li>• Related debts settled or due to be settled from sale proceeds</li> <li>• Directly attributable transaction costs</li> <li>• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of REIT Regulations or any other relevant provisions of the REIT Regulations</li> </ul>
(+) Proceeds from sale of real estate investments, real estate assets or sale of shares of SPVs/ Hold cos or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of REIT Regulations or any other relevant provisions of the REIT Regulations, if such proceeds are not intended to be invested subsequently
(-) Finance cost on Borrowings, excluding amortisation of any transaction costs as per Profit and Loss account of the Trust
(-) Debt repayment at Trust level (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments / debt refinanced through new debt in any form or funds raised through issuance of units)
(-) any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any: (i). loan agreement entered with financial institution, or (ii). terms and conditions, covenants or any other stipulations applicable to debt securities issued by the Trust or any of its SPVs/ HoldCos, or (iii). terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the Trust or any of its SPVs/ HoldCos, (iv). agreement pursuant to which the Trust operates or owns the real estate asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or (v). statutory, judicial, regulatory, or governmental stipulations; or – (refer note 2)
(-) any capital expenditure on existing assets owned / leased by the REIT, to the extent not funded by debt / equity or from contractual reserves created in the earlier years (refer note 10)
<b>NDCF at Trust Level</b>