

POLICY ON RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

Effective Date	This policy on related party transactions and conflict of interest (“ Policy ”) shall come into effect from February 11, 2021 which is the date on which Units are allotted to the successful bidders pursuant to the Offer.
Approval Date	September 26, 2020
Amended On	May 4, 2022
Approved By	Board of Directors of Brookprop Management Services Private Limited (“ Manager ”) in its capacity as the manager of the Brookfield India Real Estate Trust (the “ Brookfield REIT ” or “ REIT ”)
Total Pages	8

I. Overview

The Board has adopted this Policy in accordance with the provisions of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended (“**REIT Regulations**”). This Policy is adopted to regulate the transactions of the Brookfield REIT and/ or the SPVs with the Related Parties (*defined below*), based on the laws and regulations applicable to the Brookfield REIT and best practices. The objective of this Policy is to ensure proper approval, supervision and reporting of the transactions of the Brookfield REIT and/ or the SPVs with Related Parties.

This Policy also formulates principles on the basis of which the benefits and conflicts, if any, to the Brookfield REIT as a result of its relationship with the Brookfield Group shall be managed with respect to allocation of investment opportunities within the Brookfield Group.¹

II. Applicability

This Policy shall be applicable to all related party transactions of the Brookfield REIT (acting through the Manager) and/ or the SPVs with Related Parties.

With respect to the SPVs, the terms and conditions set forth in this Policy are in addition to but subject to the obligations of the respective SPVs under Companies Act, 2013 and other Applicable Law.

III. Definitions

- i. “**Agreement to Purchase**” shall mean the agreement, dated January 13, 2021, executed by the Trustee (on behalf of Brookfield REIT) and the Manager with the Identified SPV and its shareholders.¹
- ii. **Affiliate**” shall mean, with respect to any specified Person², any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control³ with such specified Person; provided that the Brookfield REIT, the Sponsor and the Manager shall be deemed to be ‘Affiliates’ of each other. Without limiting the generality of the foregoing, the term “Affiliate” shall also include any other Person (including any fund, trust, partnership, or co-investment vehicle) that is managed or advised by such specified Person or by any Person

¹ Amended on May 4, 2022.

² Person shall include an individual, Hindu undivided family, proprietorship, partnership firm, qualified institutional buyers, funds, corporation, company, joint venture, trust, business trust, a body corporate, a co-operative society and any body or organization of individuals or persons whether incorporated in India or outside India

³ Control in relation to a specified Person, shall mean the possession by another Person or a group of Persons, acting in concert, of the power, direct or indirect, to direct or cause the direction of the management and policies of such specified Person, whether by contract or otherwise, and in any event, includes ownership, directly or indirectly, whether by itself or through Affiliates, in excess of 50% (Fifty Percent) of the voting securities of such specified Person or the ability to appoint the majority of the directors of such specified Person. The words “Controlled” and “Controlling” have a correlative meaning.

which, directly or indirectly, Controls, is Controlled by, or is under common Control with, such specified Person.

- iii. **“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 or 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.
- iv. **“Asset SPVs”** shall collectively mean Candor Kolkata One Hi-Tech Structures Private Limited, Shantiniketan Properties Private Limited, Seaview Developers Private Limited¹, Festus Properties Private Limited and any other special purpose vehicles which may form part of the Brookfield REIT.
- v. **“Associate”** of any person shall have the meaning ascribed to such term under the REIT Regulations.
- vi. **“Audit Committee”** means the audit committee constituted by the Board.
- vii. **“Board”** shall mean the board of directors of the Manager.
- viii. **“Brookfield”** shall mean Brookfield Asset Management Inc. and any subsidiary of Brookfield Asset Management Inc.²
- ix. **“Brookfield Group”** shall mean Brookfield Asset Management Inc. and its Affiliates.¹
- x. **“Brookfield REIT” / “REIT”** shall mean the Brookfield India Real Estate Trust.
- xi. **“Companies Act, 2013”** shall mean the Companies Act, 2013, to the extent in force pursuant to the notification of the sections by the Ministry of Corporate Affairs along with the rules prescribed therein.
- xii. **“Identified SPV”** shall mean Candor Gurgaon One Realty Projects Private Limited.¹
- xiii. **“Investment Management Agreement”** shall mean the agreement dated July 17, 2020 executed between the Trustee (on behalf of the Brookfield REIT) and the Manager.
- xiv. **“Listing Agreement”** shall mean the listing agreement entered into with the Stock Exchanges by the Manager or the Trustee on behalf of the Brookfield REIT, in line with the format as specified under the SEBI circular number CIR/ CFD/CMD/6/2015 dated October 13, 2015 on *“Format of uniform Listing Agreement”*.
- xv. **“Manager”** shall mean Brookprop Management Services Private Limited.
- xvi. **“Offer”** shall mean the initial offer of Units to the public by the Brookfield REIT.
- xvii. **“Offer Documents”** shall mean the draft offer document, offer document and final offer document prepared in accordance with Applicable Law, for the purpose of the Offer, and includes any addendums, supplements, etc.

¹ Amended on May 4, 2022

² Amended on May 4, 2022

- xviii. **“Policy”** shall mean this policy on related party transactions and conflict of interest, as amended and / or updated from time to time.
- xix. **“REIT Assets” / “Assets”** shall mean the real estate assets and any other assets held by the Brookfield REIT, on a freehold or leasehold basis, whether directly or through a holding company and/or a special purpose vehicle as defined under the REIT Regulations.
- xx. **“REIT Regulations”** shall mean the SEBI (Real Estate Investment Trusts) Regulations, 2014, as amended from time to time and circulars, notifications and guidelines issued by SEBI from time to time.
- xxi. **“Related Party”** shall have such meaning as assigned under the REIT Regulations.
- xxii. **“Right of First Offer Agreements”** shall mean the right of first offer agreements, each dated December 1, 2020, executed by the Trustee (on behalf of Brookfield REIT) and the Manager with each of Vrihis Properties Private Limited, Equinox Business Parks Private Limited and Mars Hotels and Resorts Private Limited and their respective shareholders.
- xxiii. **“SEBI”** shall mean the Securities and Exchange Board of India.
- xxiv. **“SPVs”** shall collectively mean Candor Kolkata One Hi-Tech Structures Private Limited, Shantiniketan Properties Private Limited, Seaview Developers Private Limited¹, Festus Properties Private Limited, Candor India Office Parks Private Limited and any other special purpose vehicles which may form part of the Brookfield REIT or investment by the Brookfield REIT under Regulation 18(5) of the REIT Regulations.
- xxv. **“Stock Exchanges”** shall mean BSE Limited and the National Stock Exchange of India Limited.
- xxvi. **“Sponsor”** shall have such meaning as assigned under the REIT Regulations or as approved by SEBI.
- xxvii. **“Trustee”** shall mean Axis Trustee Services Limited or such other trustee as appointed for the Brookfield REIT, in accordance with the REIT Regulations.
- xxviii. **“Unit”** shall mean an undivided beneficial interest in the Brookfield REIT, and such Units together represent the entire beneficial interest in the Brookfield REIT.
- xxix. **“Unitholders”** shall mean any person who holds Units.

IV. General Requirements

- i. In terms of the REIT Regulations, the Manager shall ensure that all future related party transactions entered into by the Brookfield REIT (on a consolidated basis, which for the avoidance of doubt, includes the activities of the SPVs) shall be: (a) on an arm’s length basis; (b) in the best interest of the Unitholders; (c) consistent with the strategy and investment objectives of the Brookfield REIT; (d) compliant with Applicable Law; and (e) disclosed to the Stock Exchanges and Unitholders periodically in accordance with the Listing Agreement and the REIT Regulations. To give effect to this, the Manager shall take all the necessary steps to

¹ Amended on May 4, 2022

ensure that each of the SPVs take cognizance of this Policy, and adhere to the provisions set out herein at the time of entering into any related party transaction.

- ii. The Brookfield REIT (or the SPVs) may, subject to the conditions specified under this Policy and the REIT Regulations: (a) acquire assets from Related Parties; (b) sell assets or securities to Related Parties; (c) lease assets to Related Parties; (d) lease assets from Related Parties; (e) invest in securities issued by Related Parties; or (f) borrow/lend from/to Related Parties or carry out such transactions with Related Parties as may be permitted under Applicable Law.
- iii. Following conditions shall be followed in relation to the purchase or sale of properties after the completion of the Offer, in accordance with the REIT Regulations:
 - a. two valuation reports from two different valuers, independent of each other, shall be obtained;
 - b. such valuers shall undertake a full valuation of the assets proposed to be purchased or sold as specified under Regulation 21 of the REIT Regulations; and
 - c. transactions for purchase of such assets shall be at a price not greater than, and transactions for sale of such assets shall be at a price not lesser than, 110% and 90% of the average of the two independent valuations, respectively.

V. Approval of the Unitholders

- i. In the event related party transactions are proposed to be entered into after the Offer, transactions with respect to sale or purchase of properties shall be undertaken in compliance with Regulation 19(3) of the REIT Regulations.
- ii. Unitholders' approval shall be obtained in accordance with Regulation 22 of the REIT Regulations (where the votes cast in favour of a resolution shall be more than the votes cast against the resolution) and the request for such approval shall be accompanied by a transaction document as specified under Regulation 19(5)(c) of the REIT Regulations (which shall include the disclosures specified under Regulation 19(6) of the REIT Regulations), prior to entering into any related party transactions after the Offer if:
 - (a) the total value of all the related party transactions, in a financial year, pertaining to acquisition or sale of assets/properties, whether directly or through the holding company (if any) and/or the Asset SPVs, or investments into securities exceeds 10% of the value of the Brookfield REIT; or
 - (b) the value of net funds borrowed from the Related Parties, in a financial year, exceeds 10% of the total consolidated borrowings of the Brookfield REIT, holding company (if any) and/or the Asset SPVs.

It is hereby clarified that voting by any person who is a related party with respect to a Related Party transaction, as well as the voting by the Associates of such person, shall not be considered on such related party transaction.

- iii. In the event of any properties being leased to Related Parties after the Offer, if:
 - (a) such lease area exceeds 20% of the total area of the underlying assets;
 - (b) value of assets under such lease exceeds 20% of the value of the total underlying assets;or

- (c) rental income obtained from such leased assets exceeds 20% of the value of the rental income of all underlying assets,

a fairness opinion from an independent valuer shall be obtained by the Manager and submitted to the Trustee and approval of Unitholders in accordance with Regulation 22 of the REIT Regulations shall be obtained.

Additionally, the Manager shall ensure that all leasing to Related Parties shall be undertaken at independently verifiable market rates and any leasing to a Related Party over 10,000 sq.ft. (together with existing leases), during a particular financial year, shall be reported to the Board.

- iv. For any related party transaction requiring the approval of the Unitholders, the agreement shall be entered into within six months from the date of approval of the Unitholders. However, in case the agreement is not entered into within such period, approval from the Unitholders may be sought for extension of another six months in accordance with Regulation 22 of the REIT Regulations with the updated valuation report.

VI. Disclosure and Reporting

- i. The Manager shall submit to the Trustee, quarterly reports on the activities of the Brookfield REIT, including the status of compliance with the requirements specified under the REIT Regulations with respect to related party transactions, within 30 days of the end of each quarter.
- ii. Related party transactions shall be disclosed to the Stock Exchanges and the Unitholders periodically, in accordance with the REIT Regulations and the Listing Agreement. With respect to any related party transaction, the Manager shall adequately disclose the details of any fees or commissions received or to be received by such Related Party to the Stock Exchanges and Unitholders.
- iii. In terms of the REIT Regulations, the annual report and half yearly report to be submitted by the Manager to all Unitholders, electronically or by physical copies, and to the Stock Exchanges within three months from the end of the Financial Year and within 45 days from the end of the half year ending on September 30, shall contain, *inter alia*, details of all related party transactions, including acquisitions or disposal of any assets, directly or through the Asset SPVs during the year, the value of which exceeds 5% of value of the Brookfield REIT's Assets.
- iv. Any arrangement or transaction or contract with any Related Party other than as included in the REIT Regulations shall be disclosed to the Unitholders and to the designated stock exchange.

VII. Other conditions

- i. In addition to any other requirement that may be prescribed in terms of the REIT Regulations or other Applicable Laws, all related party transactions to be entered into by the Brookfield REIT and/or the SPVs in the future will be reviewed and approved by the Audit Committee.
- ii. As a general rule, the Manager must demonstrate to the Audit Committee that related party transactions satisfy the criteria set out hereunder at the time of recommending the same for the approval of the Audit Committee.
- iii. The Manager will maintain a register to record all related party transactions entered into by the Brookfield REIT and the SPVs and the basis on which they are entered into. This record shall be maintained by the Manager for a minimum period of eight financial years.

- iv. No Related Party shall retain cash or other rebates from any property agent in consideration for referring transactions in REIT Assets to the property agent.
- v. The Audit Committee shall review at least quarterly in each financial year, the related party transactions entered into during such quarter to ascertain that the guidelines and procedures established to monitor the related party transactions have been complied with.
- vi. The review by the Audit Committee will include the examination of the nature of (if required) and parties to the transaction and its supporting documents or such other data as may be deemed necessary by the Audit Committee.
- vii. While considering a related party transaction, any member of the Audit Committee or the Board who has a potential interest in any related party transaction will recuse himself or herself and abstain from discussion and voting on the matter.
- viii. Subject to the REIT Regulations, the Audit Committee may also, for ease of conducting affairs of the Brookfield REIT, grant omnibus approval for related party transactions to be entered into by the Brookfield REIT and/or SPVs (subject to individual limit per transaction and aggregate limit for all such transactions) that cannot be foreseen and for which the aforesaid details are not available. While assessing a proposal for approval under the omnibus route, the Audit Committee has to satisfy itself on the need for such approval and if the same is in the interest of the Brookfield REIT.
- ix. Transactions of the following nature shall not be undertaken on the basis of the omnibus approval mechanism: (a) the transactions which are not in the ordinary course of business or not at arm's length; (ii) transactions which are not repetitive or unforeseen in nature; (iii) transactions exceeding the threshold limits specified for omnibus approval (the Audit Committee shall, after obtaining approval of the Board, specify the criteria for granting the omnibus approval); (iv) inter-corporate loans given / taken by the Brookfield REIT to / from Related Parties and purchase / sale of investments from / to Related Parties; and (v) any other transaction as may be specified by the Audit Committee.

VIII. Potential Conflict of Interest

- i. All resolutions in writing concerning investments with respect to matters concerning related party transactions of the Brookfield REIT or the SPVs must be approved by majority of all non-interested directors of the Board.
- ii. Where matters concerning the Brookfield REIT or the SPVs relate to transactions entered into or to be entered into by the Manager for and on behalf of the Brookfield REIT with a Related Party, the Board is required to consider the terms of the transactions to satisfy itself that the transactions are conducted in accordance with the parameters set forth in this Policy and under Applicable Law.
- iii. To ensure compliance with the Right of First Offer Agreements and the Agreement to Purchase, the Manager will maintain a register of all opportunities / transactions arising from the implementation of such agreements. The Audit Committee shall, at such intervals as it may deem fit, review the implementation of such agreements to ensure compliance. The review will include an examination of supporting documents and such other data deemed necessary by the Audit Committee. If a member of the Audit Committee has an interest in a transaction arising from the implementation of the Right of First Offer Agreements or the Agreement to Purchase, he or she shall abstain from participating in the review and approval process in relation to that transaction.

- iv. The employees of the Sponsor/ Sponsor Group, on the Board, if any, shall recuse themselves from discussing and voting on any transactions with Related Parties in which they could hold a potential interest, whether directly or indirectly.

IX. Allocation of investment opportunities¹

Brookfield provides investment advice and performs related services for the Brookfield Group. The other entities forming part of the Brookfield Group may have investment mandates that may overlap with those of the Brookfield REIT and compete with and/or have priority over the Brookfield REIT in respect of particular investment opportunity/(ies). Consequently, certain opportunities sourced by Brookfield that would otherwise be suitable for the Brookfield REIT are not expected to be available to it or it may receive a smaller allocation of such opportunities than would otherwise have been the case or it will receive an allocation of such opportunities on different terms than the members of the Brookfield Group that are less favourable.

In this context, there may be actual/ potential conflict of interest situations which may arise on account of the Brookfield REIT and/or the SPVs being a part of the Brookfield Group. Subject to compliance with Applicable Law, all such situations shall be dealt with by Brookfield in accordance with the principles set forth below:

Brookfield will allocate investment opportunities on a basis that it believes is fair and equitable taking into account all of the facts and circumstances which will include one or more of the following factors, among others:

- a) the size, nature and type of the opportunity (including the risk and return profiles of the investment, expected holding period and other attributes),
- b) the relative amounts of capital available for investment,
- c) principles of diversification of assets,
- d) expected future capacity of the accounts,
- e) cash and liquidity needs (including for pipeline, follow-on and other opportunities),
- f) the availability of other appropriate or similar investment opportunities, and
- g) other portfolio management considerations deemed relevant by Brookfield (including, among others, legal, regulatory, tax, structuring, compliance, investment-specific, timing and similar considerations).

X. Segregation of Activities

In addition to acting as an investment manager to the Brookfield REIT, the Manager shall also act as the property manager to other entities forming part of the Brookfield Group which may own and operate commercial real estate from time to time. The Manager shall comply with the following in this regard:

- i. The Manager shall perform its duties with respect to the Brookfield REIT or under any other arrangement with the Brookfield REIT and/ or the SPVs independent of its other business and has and shall ensure that it continues to have adequate systems, controls and procedures in place to ensure the same (including those set out herein).

¹ Amended on May 4, 2022

- ii. In the event of any transactions resulting in an actual or potential conflict of interest situation wherein the Manager (or its Affiliates) is likely to, including but not limited to, (a) make a financial gain, or avoid a financial loss from a transaction, which is not aligned with the interest of the Brookfield REIT (including but not limited to entering into a material leasing transaction with respect to premises situated in the same location as the Brookfield REIT's Assets); (b) has an interest in the outcome of a transaction carried out on behalf of the Brookfield REIT, which is distinct from the Brookfield REIT's interest in that outcome; (c) receives (or will receive) from any other person / entity, an inducement in relation to a transaction entered into or to be entered into by the Brookfield REIT, in the form of monies, goods or services, etc.; and (d) have any pecuniary or non-pecuniary interest which are not aligned with the interests of the Brookfield REIT:
 - a) the full details of such transactions shall be reported promptly to the Audit Committee.
 - b) all such transactions shall be reported to the Board, on a quarterly basis, by the Audit Committee.
 - c) To the extent feasible, all arrangements entered into must be at independently verifiable market terms /rates and supported by an independent professional advice of a third party such as an independent chartered accountant, independent qualified consultant, independent valuer, etc.
- iii. The Board shall:
 - (a) actively seek to identify, mitigate and, to the extent required, document any conflicts of interest in the areas of operation, including in connection with any existing or planned activities.
 - (b) review on a quarterly basis or more regularly, if required, (i) the activities of the Manager as an investment manager to the Brookfield REIT and as the property manager to other entities forming part of the Brookfield Group; and (ii) any reported conflicts of interest between thereon and prescribe allocation of responsibilities or such other steps to avoid or deal with such conflicts.
 - (c) authorize the Audit Committee to ensure that (i) the Manager acts in accordance with this Policy, the Investment Management Agreement and the REIT Regulations; and (ii) adequate, accurate and explicit disclosures are made to the Board and the Unitholders, if required.

XI. Amendment of this Policy

Notwithstanding the above, this Policy shall stand amended to the extent of any change in Applicable Laws without any action from the Manager or approval of the Unitholders. The Audit Committee may, from time to time, review, and recommend amendments to this Policy to the Board. The Board shall review this Policy once every year and may amend this Policy, in whole or in part, from time to time, subject to Applicable Laws.