

Reference	Finance
Policy Title	Distribution Policy
Entity	Nexus Select Mall Management Private Limited (formerly known as Nexus India Retail Management Services Private Limited) (“ Manager ”) in its capacity as Manager of the Nexus Select Trust (“ Trust/ REIT ”)
Effective Date	From the date of filing of Offer Document with SEBI

Version	Version Effective Date	Change Type	Authority
Version 1	November 13, 2022	Creation	Board of Directors of the Manager
Version 2	April 17, 2023	Modification	
Version 3	February 06, 2024	Modification	

Applicability	This policy is applicable to the Nexus Select Trust, its Manager, its Special Purpose Vehicles (“ SPVs ”), and Holding Company(ies) (“ Holdco(s) ”) in connection with the distributions of cash flows as per the Securities and Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 (“ REIT Regulations ”).
Responsibility and Approving Authority	Board of Directors of the Manager
Introduction & Purpose	This policy is framed in line with the requirements of Regulation 18 of the REIT Regulations, including any guidelines, circulars, notifications, and clarifications framed or issued thereunder. This policy aims to provide a comprehensive policy on the conditions related to the investment and distribution of cash flows generated by the Nexus Select Trust and its SPVs/Holdco(s).
Key Terms	<p>(a) The Manager, as per the recommendation of Audit Committee and approval of the Board of Directors, in consultation with the Trust shall distribute and all Distributions by a REIT shall be made in accordance with Regulation 18(16) of the REIT Regulations and other guidelines, circulars, and notifications issued by the Securities and Exchange Board of India (“SEBI”) and other regulatory authorities from time to time.</p> <p>(b) An SPV shall declare and distribute to the Trust / Holdco(s) in proportion of the Trust’s/ Holdco(s)’s holding in the SPV subject to applicable provisions of the Companies Act, 2013, not less than 90% of its net distributable cash flows.</p> <p>(c) With regards to the distribution of net distributable cash flows by the Holdco(s) to the Trust, subject to applicable provisions of the Companies Act, 2013, the following conditions shall be complied:</p> <ul style="list-style-type: none"> • With respect to the cash flows received by the Holdco(s) from underlying SPVs, 100% of such cash flows received by the Holdco(s) shall be distributed to the Trust; and • with respect to the cash flows generated by the Holdco(s) on its own, not less than 90% of such net distributable cash flows shall be distributed by the Holdco(s) to the Trust.

The Manager shall declare and distribute at least 90% of the net distributable cash flows of the Trust as distributions (“**REIT Distributions**”) to the Unitholders of the Trust.

- (d) REIT Distributions shall be declared and made not less than once every six months in every financial year and shall be made not later than fifteen days from the date of such declaration.
- (e) The Trust’s first distribution after the date of listing of the units of the Trust (“**Units**”), will be for the period from the date of the listing of the Units to the last date of the period for which its financials shall be declared.
- (f) If any property is sold by the Trust, or its Holdco(s)/ SPVs or if the equity shares or interest in the Holdco(s)/SPVs are sold by the Trust, and the Trust 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 clauses (a), (b), (c) and (d) of sub-regulation 16 of regulation 18 of the REIT Regulations.
- (g) If any property is sold by the Trust, or its Holdco(s)/ SPVs or if the equity shares or interest in the Holdco(s)/SPVs are sold by the Trust, and if the Trust 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 Trust.
- (h) In terms of the REIT Regulations, if the distribution is not made within 15 days of the declaration, the Manager shall be liable to pay interest to the Unitholders at the rate of 15% percent 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 the Trust.
- (i) Any distribution shall be made on such other date such date as is fixed by the Manager in consultation with the trustee of the Nexus Select Trust (“**Trustee**”) or as per the applicable laws.
- (j) Distributions will be declared in Rupees and each Unitholder will receive its/her/his distribution in Rupees. The form, frequency and amount of future distributions on the Units will depend on the earnings, financial position and results of operations of the Trust, as well as contractual restrictions, provisions of applicable law.
- (k) Distributions shall be made by electronic fund transfer or by such other manner of payment in accordance with applicable law.
- (l) The Manager shall maintain records for at least seven years, pertaining to distribution declared and made to the Unitholders.
- (m) Deduction of taxes at source:
 - (i) The Trustee may, in consultation with the Manager, make any deductions of taxes, cess, fees, charges, assessments and duties that may be required to be deducted or withheld under applicable laws before making any payment to any Unitholder, whether by way of distribution, redemption of any Units or otherwise.

	<p>(ii) Subject to applicable law, 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.</p> <p>(n) In accordance with the REIT Regulations, in the event any amount remains unclaimed or unpaid out of the distributions declared by the Trust, such amount shall be dealt with in the manner prescribed by SEBI by way of an amendment to the REIT Regulations or circular, notification or guidelines issued or to be issued in this respect from time to time.</p> <p>(o) Amendments to the Distribution Policy shall require the unanimous consent of the Board of Directors of the Manager and such other approvals as required under applicable law.</p> <p>(p) In the event of dissolution or winding up of the Trust, all of the Trust Assets or the proceeds therefrom shall be distributed or used as follows and in the following order of priority:</p> <p>(i) First, towards the payment of the debts and liabilities of the Trust, including without limitation any statutory fees, any amounts due to the to the Trustee (including but not limited to trustee remuneration), Manager or a service provider and the expenses of liquidation;</p> <p>(ii) Second, towards the setting up of any reserves which the Trustee (on the advice of the Manager) or the authority in-charge of the winding up of the affairs of the Trust may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Trust; and</p> <p>(iii) Third, towards the Unitholders in the ratio of their beneficial interest in accordance with the terms of the REIT Regulations and the Final Offer Document.</p>
Net Distributable Cash Flows	The net distributable cash flows at the level of Trust and at the level of its SPVs/ Holdco(s) shall be calculated in accordance with the REIT Regulations and the applicable SEBI circulars, notifications or guidelines issued or to be issued from time to time.
Review	The Audit Committee, endorsed by the Board of Directors, is tasked with overseeing, and ensuring the effectiveness of this Policy through review and implementation.
Notwithstanding the above, the Distribution Policy will stand amended to the extent of any change in applicable law, including but not limited to any amendment to the REIT Regulations, without any action from the Manager or approval of the Unitholders.	