

Reference	EOP/ESG/DP/01 Version: May 07, 2025
Policy Title	Distribution Policy
Entity	Embassy Office Parks Management Services Private Limited (“ Manager ”) in its capacity as manager of the Embassy Office Parks REIT (“ Embassy REIT ”)
Responsibility for ensuring Compliance	Compliance Officer

Revision History		
Version #	Version Date	Change Type
V1	August 6, 2018	Created
V2	July 8, 2021	Amended
V3	February 02, 2024	Amended
V4	May 07, 2025	Amended

Document Review Cycle				
Effective Date	Review Schedule	Actual Review Date	Reviewed By	Policy Owner
May 07, 2025	FYQ4 Board Meeting	April 27, 2026	Board of Directors	Head - Company Secretary & Compliance Officer

Applicability	This policy is applicable to the Manager, the Embassy REIT, its special purpose vehicles (“ SPVs ”) and its holding company(ies) (“ Holdco ”) in connection with the distributions of the Embassy REIT (“ REIT Distributions ”).
Introduction & Purpose	Key Terms This policy is framed in line with the requirement of Regulation 18 of Securities and Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 (“ REIT Regulations ”) read with the SEBI circular dated December 6, 2024 on “Revised framework for computation of Net Distributable Cash Flow (NDCF) by Real Estate Investment Trusts (REITs)” (the “ SEBI NDCF Circular ”). This policy aims to provide a comprehensive policy on the conditions related to investment and distribution of cash flows generated by the Embassy REIT.
Key Terms	a) All REIT Distributions 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

	<p>(“SEBI”) and other regulatory authorities from time to time.</p> <p>(i) The SPV shall declare and distribute to the Embassy REIT/ Holdco in proportion of the Embassy REIT’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>(ii) In order to calculate the cash flow received from SPVs, the NDCF computed at SPV/Holdco level for a particular period is to be considered, even if the actual cashflows from SPV/Holdco to Embassy REIT has taken place post that particular period, but before finalization and adoption of accounts of the Embassy REIT.</p> <p>The Embassy REIT along with its SPVs/HoldCo shall ensure that minimum 90% distribution of NDCF is met for a given financial year on a cumulative periodic basis as specified for mandatory distributions in the REIT Regulations (subject to provisions of clause (a)(ii) above).</p> <p>(iv) With regard to distribution of net distributable cash flows by the Holdco to the Embassy REIT, subject to applicable provisions of the Companies Act, 2013, the following conditions shall be complied with:</p> <ul style="list-style-type: none"> • with respect to the cash flows received by the Holdco from underlying SPVs, 100% of such cash flows received by the Holdco shall be distributed to the Embassy REIT; and • with respect to the cash flows generated by the Holdco on its own, not less than 90% of such net distributable cash flows shall be distributed by the Holdco to the Embassy REIT. <p>The Manager shall declare and distribute at least 90% of the net distributable cash flows of the Embassy REIT as distributions (“REIT Distributions”) to the unitholders of the Embassy REIT.</p> <p>The option to retain 10% distribution under Regulation 18(16) of the REIT Regulations shall be computed by taking together the retention done at the SPV/Holdco level and the Embassy REIT level.</p>
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	<p>(b) The Embassy REIT’s first distribution after the date of listing of the units of the Embassy REIT (“Units”), will be for the period from the date of the listing of the Units to the date of first quarter financials</p> <p>(c) REIT Distributions shall be declared and made once every quarter in every financial year and shall be made not later than fifteen days from the date of such declaration, or such other period as may be prescribed under the REIT Regulations.</p> <p>(d) If any property is sold by the Embassy REIT, or its Holdco/ SPVs or if the equity shares or interest in the Holdco/SPVs is sold by the Embassy REIT, and the Embassy REIT proposes not to invest the sales proceeds made into any other property, within a period of 1 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 Regulation 18(16) of the REIT Regulations.</p> <p style="padding-left: 40px;">If any property is sold by the Embassy REIT, or its Holdco/ SPVs or if the equity shares or interest in the Holdco/SPVs is sold by the Embassy REIT, and if the Embassy REIT proposes to invest the sales proceeds made into any other property, within a period of 1 year, it shall not be required to distribute proceeds from such sale to the unitholders of the Embassy REIT (“Unitholders”).</p> <p>(e) In terms of the REIT Regulations, if the distribution is not made within 15 days of declaration (or such other period as may be prescribed under the REIT Regulations), the Manager shall be liable to pay interest to the Unitholders at the rate of 15% percent per annum (or such other rate as may be prescribed under the REIT Regulations) 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 Embassy REIT.</p> <p>(f) Surplus cash available in SPVs due to:</p> <p style="padding-left: 40px;">(i) 10% of NDCF withheld in line with the REIT Regulations in any earlier year or half year; or</p> <p style="padding-left: 40px;">(ii) Such surplus being available in a new SPV on acquisition of such SPV by the Embassy REIT; or</p> <p>(g) Any other reason, excluding if such surplus cash is available due to any debt raise could be considered for distribution by the SPV to the Embassy REIT, or by the Embassy REIT to its Unitholders in part or in full, but shall be disclosed separately in the NDCF computation and distribution.</p> <p>(h) Any restricted cash (disclosed as such) shall not be considered for NDCF computation by an SPV/HoldCo or Embassy REIT (e.g. unspent CSR balance for any year deposited in a separate account as per Companies Act which will be utilized in subsequent years, DSRA reserve, major maintenance reserve etc).</p>
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	<p>(i) The Embassy REIT or SPVs shall not distribute any cashflows by obtaining external debt, except to the extent clarified in the SEBI NDCF Circular (this will exclude any working capital / OD facilities obtained by Embassy REIT/ SPVs as part of Treasury management / working capital purposes as long as they are squared off within the quarter). Further, it is also clarified that proceeds from sale of real estate investments, real estate assets or shares of SPVs or investment entities adjusted for transaction costs or repayment of debt taken for such assets or other items as mentioned above which is intended to be reinvested or planned to be reinvested in accordance with Regulation 18(6)(d) of the REIT Regulations, could be temporarily parked in overdraft accounts or used to repay any additional/ unrelated debt. Further if such proceeds are not intended to be reinvested as per the timeline provided in the REIT Regulations and such net proceeds are to be distributed back to Unitholders, then redrawing such temporarily parked funds to distribute such net proceeds will not be considered as a contravention of this clause.</p> <p>(j) Cash flows received from SPVs / HoldCos / investment entities which represent distributions of net distributable cash flows computed as per relevant framework at the Embassy REIT level for further distribution to Unitholders shall exclude any such cash flows used by the Embassy REIT for onward lending to any other SPVs / HoldCos / Investment entities to meet operational / interest expenses or debt servicing of such other SPVs / HoldCos / Investment entities</p> <p>(k) Any distribution shall be made on a distribution date proportionately to persons who are Unitholders as of the close of business on the record date for such distribution. The record date shall be fixed by the Manager in the manner specified under the relevant regulations.</p> <p>(l) 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 Embassy REIT, as well as contractual restrictions, provisions of applicable law.</p> <p>(m) Distributions shall be made by electronic fund transfer or by such other manner of payment in accordance with applicable law.</p> <p>(n) The Manager shall maintain records for atleast seven years, pertaining to distribution declared and made to the Unitholders.</p> <p>(o) Deduction of taxes at source</p> <p style="padding-left: 20px;">(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</p>
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	<p>otherwise.</p> <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>(p) Amendments to the Distribution Policy shall require the unanimous consent of the Board of Directors of the Manager. Notwithstanding the above, the Distribution Policy will stand amended to the extent of any change in applicable law, including any amendment to the REIT Regulations, without any action from the Manager. Further, in case of any change in distribution policy other than regulatory changes, unitholder approval shall be required where votes cast in favour of the resolution are more than fifty percent of the total vote cast.</p> <p>(q) In the event of dissolution or winding up of the Embassy REIT, all of the Embassy REIT 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 Embassy REIT, including without limitation any fees, any amounts due to the Manager or a service provider and the expenses of liquidation;</p> <p>(ii) Second, towards the setting up of any reserves which the Trustee or the authority in-charge of the dissolution of the Embassy REIT may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Embassy REIT; and</p> <p>(iii) Third, towards the Unitholders in accordance with the terms of the REIT Regulations and the Final Offer Document dated March 27, 2019.</p>
<p>Net Distributable Cash Flows</p>	<p>a) The net distributable cash flows shall be calculated in accordance with the REIT Regulations and any circular, notification or guidelines issued thereunder and the applicable SEBI guidelines.</p> <p>Embassy REIT proposes to calculate REIT Distributions in the manner provided in Annexure A.</p>
<p>Review and Amendments</p>	<p>This Policy shall be reviewed periodically by the Board and may be amended from time to time as the Board may deem appropriate. Notwithstanding the foregoing, this Policy shall stand automatically amended to the extent of any change in Applicable Law or any change in the underlying facts, with effect from the date such change becomes effective, without requiring any further action by the Board.</p>

ANNEXURE A

NDCF at SPV /HoldCo Level

Cashflow from operating activities as per Cash Flow Statement of HoldCo / SPV
(+) Cashflows received from SPV's which represent distributions of NDCF computed as per relevant framework (applicable in case of HoldCo)
(+) 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/ HoldCo or Investment Entity adjusted for the following <ul style="list-style-type: none"> • Applicable capital gains and other taxes • Related debts settled or due to be settled from sale proceeds • Directly attributable transaction costs • Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) or any other relevant provisions of the REIT Regulations
(+) Proceeds from sale of real estate investments, real estate assets or sale of shares of SPVs/ HoldCo or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) or any other relevant provisions of the REIT Regulations, if such proceeds are not intended to be invested subsequently
(-) Finance cost on Borrowings as per Profit and Loss Account excluding finance cost on any shareholder debt/loan from Embassy REIT. The amortization of any transaction costs can be excluded provided such transaction costs have already been deducted while computing NDCF of previous period when such transaction costs were paid
(-) 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 Embassy REIT)
(-) 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 Embassy REIT 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 Embassy REIT or any of its SPVs/ HoldCos, or (iii) terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by Embassy REIT 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: The agreements specified here could be for either PPP or non-PPP projects. The Embassy REIT retains the option to distribute any surplus amounts, unless such surplus is required to create reserves for any subsequent period.
(-) 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 ¹
NDCF at SPV / HoldCo Level

¹ Capital expenditure includes amounts incurred and paid towards asset enhancement and are capitalized to asset value in the financial statements including lease payments. It is further clarified that existing assets as referred to in this line item includes any new structure / building / other infrastructure constructed on an existing real estate asset which is already a part of the Embassy REIT.

NDCF at REIT Level:

Cashflows from operating activities of Embassy REIT
(+) Cashflows received from SPV's / Investment entities which represent distributions of NDCF computed as per relevant framework
(+) Treasury income / income from investing activities of Embassy REIT (interest income received from FD, any investment entities as defined in Regulation 18(5) of the REIT Regulations, 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 sale of shares of SPVs/ HoldCo/ Investment Entity adjusted for the following: <ul style="list-style-type: none"> • Applicable capital gains and other taxes • Related debts settled or due to be settled from sale proceeds • Directly attributable transaction costs • Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) or any other relevant provisions of the REIT Regulations
(+) Proceeds from sale of real estate investments, real estate assets or sale of shares of SPVs/ HoldCo/ Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) or any other relevant provisions of the REIT Regulations, if such proceeds are not intended to be invested subsequently
(-) Finance cost on Borrowings as per Profit and Loss Account. However, amortization of any transaction costs can be excluded provided such transaction costs have already been deducted while computing NDCF of previous period when such transaction costs were paid
(-) Debt repayment at Embassy REIT 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 Embassy REIT or any of its SPVs/ HoldCos, or (iii) terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by Embassy REIT or any of its SPVs/ HoldCos, (iv) agreement pursuant to which Embassy REIT 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. The agreements specified here could be for either PPP or non-PPP projects. The Embassy REIT retains the option to distribute any surplus amounts, unless such surplus is required to create reserves for any subsequent period.
(-) any capital expenditure on existing assets owned / leased by Embassy REIT, to the extent not funded by debt / equity or from contractual reserves created in the earlier years ²
NDCF at REIT level

² Capital expenditure includes amounts incurred and paid towards asset enhancement and are capitalized to asset value in the financial statements including lease payments. It is further clarified that existing assets as referred to in this line item includes any new structure / building / other infrastructure constructed on an existing real estate asset which is already a part of the Embassy REIT.