

REIT and InvIT unitholders with 10% aggregate holding get Board nomination rights

Who is Eligible to nominate a Director?

Unitholder (**UH**) with minimum 10% of the total outstanding units REIT/InvIT (individually or collectively)

Will be referred as **Unitholder Nominee Director (UND)** and a non-independent director.

Can more than one unitholder having <10% come together and nominate director?

Yes, multiple unitholders can only once aggregate their unitholding and identify up to 2 unitholders as group representatives

REIT Circular – view [here](#)
InvIT Circular – view [here](#)
Effective Date - Sep 11, 2023

Eligibility Criteria for UND

- Fit and Proper person;
- Not a wilful defaulter or fraudulent borrower or related to an entity which has been declared as such;
- Not Disqualified or debarred from acting as a director;
- Not been debarred or related to an entity debarred from accessing capital market.

Tenure of UND

A UND shall continue to remain on the Board of the Manager unless:

- The nomination is withdrawn by UH; or
- Change in the UND is requested by UH; or
- The unitholding of UH falls below the 10% of the total outstanding units¹; or
- The UND is unable to serve or resign or is removed from the Board of Directors of the Manager for any reason;

¹ UND shall resign/step down within 2 working days from such change/date of allotment.

Actionable for REIT / InvIT Manager

1. **Formulate a policy for UND:** On the qualifications, criteria for appointment, evaluation parameters, remuneration, sitting fees, removal and resignation of UND.
2. **Policy to be hosted on the website of Manager**
3. **First-time intimation to UH by Oct 10, 2023:** To exercise the right to nominate a UND [*Reckon the unitholding pattern as on September 30, 2023*]
4. **Amendment in investment management agreement and Trust Deed by 10 March 2024**
5. **Monthly Review of unitholding of UH who has nominated UND:** within 10 days from the end of each calendar month and submit report to Trustee.
6. **Ensure compliance of Board Composition**
7. **Subsequent Intimation to Unitholders within 10th of April every FY :** To exercise the right to nominate a UND [*Reckon the unitholding pattern unitholding pattern as on March 31st of FY*]

Process of Nomination by UH

Intimation by the Manager to all UH within 10th April of every Financial Year

[In case of first-time nomination : 10th October, 2023]



UH who wish to exercise the board nomination right shall inform Manager within 10 days of receipt of the intimation



Evaluation of UND by NRC and/or Board of Manager in line with policy within 10 days of receipt of UH's nomination



On confirmation, Manager will take necessary steps within 30 days for appointment of UND on its Board



In case the proposed candidate is not eligible, UH may submit another candidate within 10 days of intimation

Conditions for Nomination

- 1. Right exercisable only under one option** : either in capacity of UH or shareholder or lender to REIT/InvIT/HoldCo/SPV
- 2. Aggregating of unitholding allowed for one group only:** UH not eligible to participate in any other group, if already aggregated unitholding with one group for UND's nomination.
- 3. UND to recuse from voting** - Any transactions where nominating unitholder/UND/ or their associates is a party.

Enabling Provision

- Regulation 4(2)(g) of [SEBI REIT Regulation](#) and
- Regulation 4(2)(h) of [SEBI InvIT Regulation](#)
- inter-alia grants unitholder(s) holding a minimum 10% of the total outstanding units (either individually or collectively) may nominate one director on the board of directors of the Manager

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