

Minutes of the proceedings of the meeting No. 07/2016-17 of the Board of Directors of Reliance Communications Limited held on Wednesday, the 21st December, 2016 at 9.30 a.m. at Board Room, 8th Floor, Reliance Center, Near Prabhat Colony, Off. Western Express Highway, Santacruz (East), Mumbai – 400 055.

Directors Present

Shri Anil D. Ambani	-	Chairman
Shri A. K. Purwar	-	Director
Shri R. N. Bhardwaj	-	Director
Smt. Manjari Kacker	-	Director

In Attendance

Shri Manikantan Iyer	-	Chief Financial Officer
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By Invitation

Shri Suresh Rangachar	-	President –Commercial (Present for Item No. 7)
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Chairman

Shri Anil D. Ambani, Chairman of the Board, occupied the Chair.

The Chairman informed the Board that due to urgency and for consideration of unpublished price sensitive matter, this meeting was convened at a shorter notice than required as agreed by the Directors at the meeting of the Board of Directors held on 30th May, 2016.

- 1. Leave of absence:** Leave of absence was granted to Prof. J. Ramachandran, and Shri Deepak Shourie, Directors, who had requested for the same.
- 2. To peruse and approve the Minutes of the proceedings of the meeting of the Board of Directors of the Company held on 14th November, 2016.**

Minutes of the proceedings of the meeting of the Board of Directors of the Company, held on 14th November, 2016, circulated to the Directors and placed before the meeting, were confirmed by the Board and signed by the Chairman.
- 3. To peruse and note the Minutes of the proceedings of the meeting of the Audit Committee of the Board of Directors of the Company held on 14th November, 2016.**

Minutes of the proceedings of the meeting of the Audit Committee of the Board of Directors of the Company held on 14th November, 2016, circulated to the Directors and placed before the meeting, was noted by the Board.
- 4. To peruse and note the Minutes of the proceedings of the meeting of the Stakeholders Relationship Committee of the Board of Directors of the Company held on 14th November, 2016.**

Minutes of the proceedings of the meeting of the Stakeholders Relationship Committee of the Board of Directors of the Company held on 14th November, 2016 circulated to the Directors and placed before the meeting, were noted by the Board.
- 5. To take note of Circular Resolutions passed by the Committee of the Board of Directors of the Company in the matter of issue of duplicate share certificates to the Shareholders of the Company.**

The Board was informed that at the meeting of the Board of Directors held on 24th June, 2014, a Committee of Directors comprising of Shri Anil D. Ambani, Chairman and Shri A. K. Purwar and Shri R. N. Bhardwaj, Directors was

constituted for issue of duplicate share certificates and necessary powers were delegated to it. The said Committee had approved issue of duplicate share certificates by passing Circular Resolutions.

The text of the Circular Resolution was as follows:

Date: 28.11.2016

“RESOLVED THAT the Committee of the Board do hereby approve issue of duplicate Equity Share Certificates to 15 (Fifteen) shareholders holding 1067 (One Thousand Sixty Seven only) equity shares of the Company as per the statement circulated to the members of the Committee of the Board and enclosed with this resolution.

RESOLVED FURTHER THAT Shri Prakash Shenoy, Company Secretary be and is hereby authorised to do all such acts, deeds, matters and things and attend to all such matters as may be necessary to give effect to this resolution.”

Date: 09.12.2016

“RESOLVED THAT the Committee of the Board do hereby approve issue of duplicate Equity Share Certificates to 10 (Ten) shareholders holding 9209 (Nine Thousand Two Hundred Nine only) equity shares of the Company as per the statement circulated to the members of the Committee of the Board and enclosed with this resolution.

RESOLVED FURTHER THAT Shri Prakash Shenoy, Company Secretary be and is hereby authorised to do all such acts, deeds, matters and things and attend to all such matters as may be necessary to give effect to this resolution.”

The Board took note of the same.

6. To note disclosure received from the Directors and Manager.

Disclosure under Section 189 of the Companies Act, 2013 received from Director/s read at the meeting and noted by the Board. The Company Secretary was instructed to incorporate the same in appropriate Register/s maintained by the Company.

7. To approve the disposal of Tower business of Reliance Infratel Limited (“RITL”) by way of a Scheme, and the execution of the Acquisition Agreement and Subscription and Shareholders’ Agreement in relation thereto

Shri Suresh Rangachar, President – Commercial informed that further to the Term Sheet agreed in October 14, 2016, definitive terms have now been agreed with Brookfield Infrastructure Partners LP and its affiliates and managed funds (“**Brookfield**”) for the disposal of the telecom tower business of RITL (“**Tower Business**”).

The disposal will involve transfer of the Tower Business from Reliance Infratel Limited (RITL), subsidiary company to Towercom Infrastructure Private Limited (TIPL), a newly incorporated subsidiary of Reliance Communications Limited (RCom), to be implemented by means of a Scheme of Arrangement (“**Scheme**”).

He further informed that on the Scheme becoming effective, and satisfaction of other Conditions Precedents of the Acquisition Agreement (described below), the entire issued share capital of TIPL, together with certain shareholder loans, will be acquired by a special purpose vehicle controlled

and managed by Brookfield.

a) Acquisition Agreement

Shri Suresh Rangachar informed that as part of the aforesaid transaction, an Acquisition Agreement was proposed to be entered into between RCom, RCIL, RITL, TIPL and Brookfield, a draft of which was placed before the Board for its consideration.

He apprised the Board the major terms of the Acquisition Agreement, as follows:

1. The aggregate amounts payable to the Company and RITL for the sale of the shares of TIPL, and the repayment of certain specified shareholder loans, will be Rs.11,000 crore, plus an additional amount of up to Rs.2,000 crore to be calculated for the incremental annualised revenue of TIPL from qualifying tenancies with Vodafone, Idea or Airtel, subject to following adjustments:
 - 1.1. Adjustment for normative working capital, plus or minus the actual net working capital and net debt (other than the specified shareholder loans) of TIPL at completion; and
 - 1.2. Adjustment to take account of certain potential differences between the final terms of the master services agreement ("MergeCo MSA") between TIPL and MergeCo (the resulting company from the current merger of the Company's wireless business and Aircel ("Aircel Merger")) and such terms as assumed in Brookfield's valuation model; and
 - 1.3. Adjustment for an amount which takes account of certain ongoing recurring annual capital expenditure requirements of TIPL;
2. The Acquisition Agreement is subject to the satisfaction of a number of conditions, including regulatory conditions, appropriate shareholder approvals and other third party approvals, the completion of the Scheme, the Aircel Merger and the merger with Sistema Shyam Teleservices Limited, TIPL having no lenders other than the shareholders of the Company themselves, and certain other commercial and operational matters.
3. The Acquisition Agreement includes common covenants in respect of the conduct of the Tower Business between signing and completion, giving Brookfield Purchaser certain common consent, information and supervisory rights in relation to the conduct of business from signing.
4. The Acquisition Agreement contains common representations and warranties, given on an indemnity basis by RCom, RCIL and RITL, about the assets, liabilities, consents, conduct of business and financial position of TIPL and the Tower Business. It also includes certain specific indemnities in relation to any losses arising from the Scheme, the absence of approvals and licences required for the carrying on of the Tower Business and certain taxes.
5. The Acquisition Agreement contains certain common limitations on the liability of the Company and RITL including monetary and temporal caps and the business warranties are given subject to matters fairly disclosed in a detailed disclosure letter to be given to Brookfield

Purchaser at the date of signing.

6. The Acquisition Agreement is subject to termination in certain circumstances, including failure to satisfy the conditions before the long-stop date of 30 June 2017 (or such later date as the parties may agree);
7. The Acquisition Agreement contains common non-compete and non-solicitation provisions restricting the Company and its affiliates from competing with the Tower Business for a period of 5 years from completion.
8. The Acquisition Agreement is governed by Indian law and is subject to arbitration in London under the rules of the London Court of International Arbitration.

b) Subscription and Shareholders' Agreement

Shri Suresh Rangachar informed that as part of the transaction, a Subscription and Shareholders' Agreement was also proposed to be entered into between RCom, TIPL and Brookfield Purchaser. A draft of the said Subscription and Shareholders' Agreement was placed before the Board for consideration.

He apprised the Board the major terms of the Subscription and Shareholders' Agreement, as follows:

1. Immediately following completion of the Acquisition Agreement, the Company will subscribe 49% of the Class B non-voting shares in the capital of TIPL ("**B Shares**") for a nominal sum equal to the fair value of such shares. Brookfield Purchaser will subscribe the other 51% of the B Share and will initially hold all of the voting shares in TIPL.
2. The B Shares will entitle the holders to all of the rights to the income and capital of TIPL after:
 - 2.1. Brookfield Purchaser, as the contributor of the initial capital to enable TIPL to repay the specified shareholder loans in TIPL, has received a 12.99% IRR on such initial subscription amounts; and
 - 2.2. the shareholders have received a 16% IRR on any further subscription amounts paid to TIPL from time to time, (together, "**Priority Return**").
3. The Subscription and Shareholders' Agreement provides the Company with certain observer, information and minority protection rights, including the ability, but not the obligation, to participate in future fund raisings by TIPL whether of equity or debt, other than where external debt is being raised from financial institutions.
4. The securities to be held by the Company will be subject to common transfer restrictions, including a right of first offer to Brookfield Purchaser; restrictions on transferring the securities to competitors; a drag along right for Brookfield Purchaser if it sells all of its B Shares and a tag along right for the Company when Brookfield Purchaser disposes of more than 10% of its securities once the Priority Return has been achieved. Both the Company and Brookfield Purchaser and their respective affiliates have agreed not to transfer any of their securities for 3 years from

completion.

5. The Subscription and Shareholders' Agreement contains common non-compete and non-solicitation provisions restricting the Company and its affiliates from competing with the Tower Business whilst it holds securities in TIPL and for a period of 5 years afterwards. Brookfield Purchaser has agreed that if Brookfield wishes to acquire any other towers or interests in any towers businesses in each case in India (other than involving Bharti or Indus) then it shall pursue those acquisitions through TIPL, unless the Company does not wish to participate in or fund such acquisition.
6. Certain of the Company's rights under the Subscription and Shareholders' Agreement fall away if its shareholding falls below 10% or it suffers certain insolvency events.
7. The Subscription and Shareholders' Agreement is governed by Indian law and is subject to arbitration in London under the rules of the London Court of International Arbitration.

A draft media release was also circulated to the Board for perusal. The Board was requested to consider and approve the proposal.

The Board, after detailed discussions, passed the following resolutions.

“RESOLVED THAT subject to such statutory approvals and consents as may be required, the Board hereby approves the following:

- (i) The proposal to demerge the telecom tower business (“**Tower Business**”) of Reliance Infratel Limited (“**RITL**”), a subsidiary of Reliance Communications Limited (“**RCom**” or the “**Company**”), and the transfer to and vesting of the said Tower Business on a going concern basis to Towercom Infrastructure Private Limited (“**TIPL**”), a subsidiary of the Company; by way of Scheme of Arrangement to be sanctioned by the National Company Law Tribunal (“**Scheme**”);
- (ii) Execution of the Acquisition Agreement amongst RCom, Reliance Communications Infrastructure Limited, RITL, TIPL and Rapid Holdings 2 Pte Ltd. (“**Brookfield Purchaser**”) as per the draft of which was placed before the Board and such other agreements, deed(s), contracts, undertakings, letters, documents, forms, authority letters, power of attorney(s), and such other documents as may be necessary or desirable in relation to the Acquisition Agreement and the transactions contemplated thereby (collectively “**Acquisition Agreement Documents**”) with or without any amendments, modifications or alterations as the persons authorized as the signatory below, may deem fit.
- (iii) Execution of the Subscription and Shareholders' Agreement to be entered into between RCom, TIPL and Brookfield Purchaser (the draft of which was placed before the Board), and such other agreements, deed(s), contracts, undertakings, letters, documents, forms, authority letters, power of attorney(s), and such other documents as may be necessary or desirable in relation to the Subscription and Shareholders' Agreement and the transactions contemplated thereby (collectively “**SHA Documents**”) with or without any amendments, modifications or alterations as the persons authorized as the signatory below, may deem fit.

RESOLVED FURTHER THAT each of the Directors of the Company, Shri Prakash Shenoy, Company Secretary and Manager, Shri Manikantan Iyer, Chief Financial Officer, Shri Suresh Rangachar, Shri Amit Mathur, Shri Sanjeev Mishra and Shri Anil C Shah, being the persons authorised in this behalf, be and are hereby severally authorized and are hereby appointed as the authorised representatives of the Company, to act for and on behalf of the Company and to represent the Company in all matters relating to the Scheme, the Acquisition Agreement Documents, SHA Documents and the transactions contemplated thereunder and to:

- (a) execute with or without amendments, modifications or alterations and deliver each of the aforesaid Acquisition Agreement Documents and SHA Documents for and on behalf of the Company to give effect to the Scheme and the terms of the said Acquisition Agreement Documents and SHA Documents;
- (b) execute and deliver any amendments, modifications or alterations to any of the aforesaid documents or execute such further documents and deeds as required in connection with the Scheme and the transactions contemplated by the Acquisition Agreement Documents and SHA Documents;
- (c) to take necessary action in this regard and take all necessary steps including filing, obtaining certificates, Valuation reports as are required for the implementation and consummation of the transaction in all respects whatsoever and for obtaining the requisite Governmental/Regulatory approvals and orders from all concerned authorities (including relevant authorities in India and elsewhere in the world) as the case may be, and
- (d) do all other acts, deeds and things that is incidental or ancillary to or necessary for the Scheme, the Acquisition Agreement Documents or the SHA Documents; and exercising any of the aforesaid powers and/ or authorizations.

RESOLVED FURTHER THAT the Common Seal of the Company, if required, be affixed to any document that is required to be executed under seal in accordance with the Articles of Association of the Company with respect to the transactions contemplated under the Scheme, the Acquisition Agreement Documents and the SHA Documents.

RESOLVED FURTHER THAT any of the foregoing that have been done on or before the date hereof be and are hereby adopted, ratified, confirmed and approved.”

There being no further business to transact, the meeting ended with a vote of thanks to the Chair.

The meeting concluded at 10.50 a.m.

Chairman

Entered on: 4.01.2017

Signed on: