

GAMMON INFRASTRUCTURE PROJECTS LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

Objective

- 1.1. The objective of this Policy is to determine Material Subsidiaries of Gammon Infrastructure Projects Limited.

2. Definitions

- 2.1. "The Act" means the Companies Act 2013 together with the Rules notified there under, including any statutory modifications or re-enactments thereof for the time being in force.
- 2.2. "Audit Committee" means "Audit Committee" constituted by the Board of Directors of the Company, from time to time, under provisions of Listing Agreement with the Stock Exchanges and the Companies Act, 2013 ("the 2013 Act").
- 2.3. "Policy" means this policy for determining Material Subsidiaries.
- 2.4. "Board" means Board of Directors of the Company.
- 2.5. "Subsidiary" means a subsidiary as defined under the Act.
- 2.6. "The Company" means Gammon Infrastructure Projects Limited.

3. Policy

- 3.1. A Subsidiary in relation to the Company shall be considered as "material", if its income or net worth exceeds twenty percentage of the consolidated income or net worth respectively of the Company in the immediately preceding financial year.
- 3.2. The Management shall present to the Audit Committee on an annual basis, a list of Material Subsidiaries together with the details of the materiality criteria stated above.
- 3.3. One Independent Director of the Company shall be on the Board of the unlisted material subsidiary.
- 3.4. The Company, without the prior approval of the members by Special Resolution in its General Meeting, shall not:

- a) Dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- b) Cease the exercise of control over the Material Subsidiary; or
- c) Sell, dispose or lease of assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year.

4. Disclosures

- 4.1. The Policy shall be uploaded on the website of the Company at www.gammoninfra.com and a weblink thereto shall be provided in the Annual Report of the Company, as per the provisions of laws in force.

5. General

- 5.1. The Policy would be subject to revision/amendment in accordance with the Laws.
- 5.2. The Board reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.
