

NOMINATION AND REMUNERATION POLICY

1. Preface

The Company and its management endeavor to recruit and retain employees who achieve operational excellence and create value for Shareholders. The Company understands the importance of attracting and retaining talented individuals at all levels of the organization. The Company believes that a transparent, fair and reasonable process is vital for determining the appropriate remuneration at all levels of the Organization and is committed to ensure that all the Stakeholders remain confident in the management of the Company. The Board has constituted the Nomination and Remuneration Committee (the "Committee") to assist the Board in discharging its responsibilities relating to compensation of the Company's Directors and other senior level employees.

2. Objectives

The objective and purpose of this policy are:

- To devise a policy on Board diversity.
- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Independent, Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions.
- To recommend to the Board, the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To determine criteria for remuneration of the Directors and Key Managerial Personnel based on the Company's size and financial position and trends and practices on remuneration prevailing in peer Companies.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and provide necessary Report to the Board for further evaluation by the Board.
- To provide them rewards linked directly to their efforts, performance, dedication and achievement relating to the Company's operations and growth.
- To lay down policies to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

2. Definitions

'Act' means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

'Board' means Board of Directors of the Company.

'Committee' means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time.

'Company' or 'the Company' means Indofil Industries Limited.

'Director(s)' mean Director(s) of the Company.

‘Independent Director’ means a Independent Director of the Company appointed pursuant to the provisions of Section 149(6) of the Companies Act, 2013.

‘Key Managerial Personnel’ means a Key Managerial Personnel (KMP) as defined under the Companies Act, 2013 and includes:

- (i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
- (ii) Company Secretary; and
- (iii) Chief Financial Officer
- (iv) Senior Management’ means Senior Management personnel of the Company who are Members of its core management team excluding Board of Directors comprising all Members of management one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

4. This Policy is divided in two Sections Part A and Part B.

Part - A covers the appointment and nomination related policies.

Part - B covers remuneration related policies.

4.1. Part A - Appointment and Nomination

4.1.1 Criteria for Board Membership

The Committee shall take into account following points for appointment of a person as Director, KMP or at Senior Management level and recommend to the Board his / her appointment accordingly, viz.

- The candidate shall possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- The candidates shall possess the highest personal and professional ethics, integrity, values and moral reputation and be eligible to hold the office under the provisions of the Companies Act, 2013 and policies of the Company.

4.1.2 Additional Criteria for Independent Directors

In addition to the criteria mentioned above, a person proposed to be appointed as an Independent Director shall meet all criteria specified in Section 149(6) of the Companies Act, 2013 and Rules made thereunder.

4.1.3 Term /Tenure

The Term / Tenure of the Directors shall be in accordance with the provisions of the Companies Act, 2013 and Rules made there under applicable and as amended from time to time.

4.1.4 Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, Rules made thereunder or under any other applicable Act, Rules and regulations or the applicable policies of the Company, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, Rules and regulations.

4.1.5 Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. In terms of applicable provisions and depending on requirement of the Company, the Committee may recommend re-appointment of retiring Directors, KMP or Senior Management Personnel. The Board shall have the discretion to retain a Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age for the benefit of the Company.

4.1.6 Policy on Board diversity

The Company believes that a diverse Board would be necessary for effectively managing the affairs of the Company. Diversity in terms of the skills, regional and industry experience, background, gender and other diversities between Directors is essential to enable the Board, as a whole, to achieve the desired results for the Company. These distinctions shall be considered in determining the optimum composition of the Board and when possible shall be balanced appropriately. All Board appointments shall be made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The Board shall have at least one Board Member who has accounting or related financial management expertise and at least three members who are financially literate.

4.2 Part B - Remuneration and Perquisites

4.2.1 Recommendation for Remuneration

The Committee shall recommend to the Board for their approvals, the remuneration to be paid to the Managing Director, Executive Director, Whole - Time Director, KMP and Senior Management personnel. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration / compel / commission etc. shall as per applicable laws be subject to the approval of the shareholders of the Company and Central Government, wherever required.

4.2.2 Managing Director/Whole-Time Director/Executive Director

Besides the above criteria, the remuneration / compensation / commission etc. to be paid to Managing Director / Whole-Time Director / Executive Director etc. shall be governed as per provisions of the Companies Act, 2013 and Rules made there under or any other enactment for the time being in force.

4.2.3 Non-executive Independent Directors

The Non-Executive Independent Directors may receive remuneration by way of Sitting Fees for attending meetings of Board or Committee thereof and compensation by way of commission as may be approved by the Board and shareholders, subject to such limits as provided under the Companies Act, 2013 and Rules made thereunder or any other enactment for the time being in force.

4.2.4 KMPs / Senior Management Personnel etc

The remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any, prescribed under the Companies Act, 2013 and Rules made thereunder or any other enactment for the time being in force.

5. Review

The Board shall periodically review this Policy to determine its appropriateness to the needs of the Company. The Board shall have the authority to amend the Policy, if required.

**Sd/-
K.K. Modi**

**Place: Mumbai
Chairman
Date: June 13, 2018**

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