



## NOMINATION AND REMUNERATION POLICY OF INTER STATE OIL CARRIER LIMITED

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### 1. PREAMBLE

This Nomination and Remuneration Policy (“Policy”) has been formulated pursuant to the provisions of Section 178 of the Companies Act, 2013 (“Act”) read with the applicable rules made thereunder and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time.

This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

This Policy reflects the Company’s commitment to strong corporate governance, merit-based appointments and fair compensation aligned with long-term shareholder value creation.

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### 2. OBJECTIVES

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 and Part D of Schedule II of Listing Regulations. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees. The Key Objectives of the committee would be:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the existing balance of skills, knowledge and experience on the Board and, based on such evaluation, define the role and capabilities required. The proposed candidate shall possess the identified competencies.

For identifying suitable candidates, the Committee may:

- (i) consider individuals from diverse backgrounds; and
- (ii) assess the time commitments of the candidates.

3. Formulation of criteria for evaluation of performance of Independent Directors and the Board;
4. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. To recommend to the Board the extension or continuation of the term of appointment of Independent Directors based on the report of performance evaluation of Independent Directors.
6. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.

7. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  8. To ensure that the remuneration to Directors, Key Managerial Personnel (KMP), and senior management of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
  9. To assist the Board in ensuring that the plans are in place for orderly succession for appointments to the Board and to senior management.
  10. To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
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### 3. DEFINITIONS

‘Act’ means Companies Act, 2013 and rules relating thereto.

‘Board of Directors’ or ‘Board’, in relation to the Company, means the collective body of the directors of the Company.

‘Committee’ means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board

‘Company’ means Inter State Oil Carrier Limited.

‘Directors’ means a director appointed to the Board of a Company.

‘Independent Director’ means a director referred to in Section 149 (6) of the Companies Act, 2013 and/or as defined under Regulation 16 (b) of the Listing Regulations.

‘Key Managerial Personnel’ (KMP) means:

- a. Chief Executive Officer or the Managing Director or the Manager
- b. Company Secretary
- c. Whole-time Director
- d. Chief Financial Officer
- e. Such other officer as may be prescribed under the Companies Act, 2013.

“**Senior Management**” means the officers and personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below Chief Executive Officer/ Managing Director/ Whole-time Director (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

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#### 4. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall be constituted in accordance with applicable laws:

- The Committee shall comprise a minimum of three non-executive directors,
  - At least two-thirds of the members shall be Independent Directors,
  - The Chairperson of the Committee shall be an Independent Director,
  - In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
  - The Company Secretary shall act as the secretary for Committee meetings.
  - Minutes: Minutes of the meetings shall be recorded and maintained by the Company Secretary and shall be presented to the Committee for approval at its subsequent meeting.
  - The quorum for meetings shall be either two members or one-third of the members, whichever is greater,
  - The Committee shall meet at least once in a year. Further, the meetings of the Committee shall be held as and when required and as statutorily required under the provisions of Companies Act, 2013 and Rules made thereunder and as per the applicable law, if any, for the time being.
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#### 5. APPOINTMENT AND REMOVAL

##### 5.1 Criteria

The Committee shall consider the following factors for identifying the person who are qualified to becoming Director and who can be appointed in senior management:

The Committee shall consider:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or at Senior Management level and recommend to the Board his / her appointment.
- A person should 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.
- An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business
- The Company may appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years' subject to the approval of shareholders by passing a special resolution. The explanatory statement annexed to the notice convening the general meeting shall contain the justification for appointing such person.
- The Company should ensure that the person so appointed as Director/ Independent Director/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.
- The Director/ Independent Director/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, or under listing regulations or any other enactment for the time being in force

- Independent Director shall meet all criteria specified in Section 149(6) of the Companies Act, 2013 and rules made thereunder and/or as specified in Regulation 25 of the listing regulations.
- The Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate(s).

## 5.2 Appointment Process

The appointment of Directors, KMP and Senior Management shall be undertaken through the following process:

- **Recommendation by NRC**  
The Nomination and Remuneration Committee shall identify and evaluate candidates based on qualifications, experience, integrity, expertise and independence (where applicable), and recommend suitable candidates to the Board.
- **Approval by the Board**  
The Board shall consider the recommendation of the NRC and approve the appointment in compliance with applicable laws and regulations.
- **Shareholders' Approval, wherever required**  
Where required under applicable laws, the appointment shall be subject to approval of shareholders by way of an appropriate resolution, along with necessary disclosures.
- **Formal Appointment and Filings**  
Upon approval, the Company shall issue an appointment letter and make necessary statutory filings and disclosures within prescribed timelines.

## 5.3 Tenure

- **Managing Director / Whole-time Director:** The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- **Independent Director:** An Independent Director shall hold office for a term of up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

## 5.4 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 any other reasonable ground, the Committee may recommend to the Board for removal of a Director or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

## 5.5 Retirement

The Director and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director or Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

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## 6. PERFORMANCE EVALUATION

The NRC shall ensure:

- Annual evaluation of the Board, Committees and individual Directors
  - Evaluation criteria may include effectiveness, participation, independence of judgment and governance standards
  - Independent Directors shall evaluate the performance of the Chairperson and Non-Independent Directors
  - The evaluation process shall be fair, objective and documented
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## 7. REMUNERATION POLICY – GUIDING PRINCIPLES

Remuneration shall be:

- Competitive and aligned with industry standards
  - Linked to individual and Company performance
  - Structured to attract, retain and motivate talent
  - Balanced between fixed and variable components
  - Compliant with applicable laws and governance norms
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## 8. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

At the appointment or re-appointment of Managing Director, Whole-time Director and KMPs, the Committee will recommend to the Board for their approval, the remuneration to be paid to them. The remuneration to be paid to the Senior Management Personnel shall be approved by the Board and other employees shall be as per HR policy of the Company.

The annual increment of remuneration for Managing Director/Whole-time Directors shall be made on the basis of the resolution approved by the shareholders. The annual increment in Salary of KMPs (other than Managing Director/Whole-time Directors), Senior Management Personnel shall be approved by the Board and other employees shall be made as per HR policy of the Company.

The level and composition of remuneration as 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 should also involve a balance between fixed and incentive pay reflecting short- term and long-term performance objectives appropriate to the working of the Company and its goals:

### 8.1 REMUNERATION PAYABLE TO MANAGING DIRECTOR(S) AND WHOLE-TIME DIRECTOR(S)

The remuneration payable to Managing Director(s) and Whole-time Director(s) shall be determined in accordance with the provisions of Sections 196, 197 and Schedule V of the Companies Act, 2013, read with applicable rules and SEBI Listing Regulations, and shall be subject to the approval of the Board and shareholders, wherever required.

The remuneration structure shall be designed to attract, retain and motivate qualified professionals and shall be commensurate with the individual's role, responsibilities, experience, performance and the overall financial position of the Company.

The remuneration may comprise the following components:

- **Basic Salary** – Fixed pay commensurate with qualifications, experience and industry benchmarks
- **Allowances and Perquisites** – Including housing, medical, travel, communication and other benefits as approved by the Board
- **Performance Incentives / Commission** – Variable pay linked to individual performance, Company performance and achievement of key business objectives
- **Retirement Benefits** – Such as provident fund, gratuity, superannuation and leave encashment, in accordance with Company policy and applicable laws
- **Stock Options** – Employee stock options or other long-term incentive plans, if applicable, in compliance with SEBI regulations
- **Ex-gratia / Special Incentives** – One-time payments in recognition of exceptional contribution or performance

#### Ex-Gratia Payments

Ex-gratia payments may be granted in exceptional circumstances to recognize outstanding performance, significant achievements or contributions beyond assigned responsibilities.

Such payments shall be:

- Based on recommendation of the Nomination and Remuneration Committee
- Approved by the Board of Directors
- Subject to shareholders' approval, wherever required under applicable laws

Ex-gratia payments, wherever forming part of managerial remuneration under applicable law, shall be within the overall limits prescribed under the Companies Act, 2013.

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## 9. PERQUISITES AND RETIREMENT BENEFITS

### 9.1. Perquisites

May include:

- Accommodation or House Rent Allowance
- Company car with driver and fuel
- Medical insurance and reimbursement
- Leave Travel Allowance
- Communication expenses
- Club membership
- Domestic assistance
- Meal allowances
- Any other benefits approved by the Board

### 9.2. Retirement Benefits

Include:

- Provident Fund
- Gratuity
- Superannuation / pension
- Leave encashment
- Post-retirement medical benefits.

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## 10. MINIMUM REMUNERATION

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director/ Managing Director in accordance with the provisions of the Companies Act, 2013.

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## 11. EXCESS REMUNERATION

In the event that any Director, including Managing Director or Whole-time Director, draws or receives remuneration in excess of the limits prescribed under the Companies Act, 2013 or approved by the shareholders, such excess amount shall be refunded to the Company.

The Company shall not waive the recovery of such excess remuneration unless permitted under applicable provisions of the Companies Act, 2013 and the rules made thereunder.

Any waiver of recovery shall be subject to:

- Recommendation of the Nomination and Remuneration Committee
- Approval of the Board of Directors
- Approval of the shareholders by way of a special resolution, wherever required

**Amended on 25<sup>th</sup> May, 2026**

The Company shall ensure compliance with all applicable statutory provisions, including necessary disclosures and filings in respect of such excess remuneration.

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## **12. OVER ALL MAXIMUM MANAGERIAL REMUNERATION**

The total managerial remuneration payable by the Company to its Directors, including Managing Director, Whole-time Directors and Manager, in respect of any financial year shall not exceed the limits prescribed under Section 197 of the Companies Act, 2013 read with Schedule V and other applicable provisions of the Act.

The managerial remuneration shall be computed in accordance with Section 198 of the Companies Act, 2013.

In case the Company proposes to pay remuneration in excess of the prescribed limits, necessary approvals shall be obtained in accordance with the provisions of the Companies Act, 2013 and applicable rules made thereunder.

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## **13. REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR:**

The remuneration payable to Non-Executive Directors and Independent Directors shall be in accordance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations, and shall be structured to ensure independence and objectivity.

- **Sitting Fees and Reimbursement**

The Non-Executive Directors and Independent Directors may receive sitting fees for attending meetings of the Board or Committees thereof, as may be approved by the Board of Directors from time to time within the limits prescribed under the Companies Act, 2013 and applicable rules made thereunder.

The quantum of sitting fees shall be determined based on the recommendation of the Nomination and Remuneration Committee and approved by the Board.

In addition, the Company may reimburse reasonable expenses incurred by such Directors for participation in the meetings of the Board or Committees, including travelling, boarding and lodging expenses, in accordance with the Company's policies and applicable laws.

- **Commission**

No commission shall be payable to Non-Executive or Independent Directors, unless otherwise permitted under applicable laws and approved by the Board and shareholders.

- **Stock Options**

Independent Directors shall not be entitled to any stock options or equity-based incentives of the Company.

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#### **14. REMUNERATION TO KMP, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES**

The Key Managerial Personnel, Senior Management Personnel and other employees of the Company shall be paid remuneration in accordance with the Company's HR policies, as approved by the Nomination and Remuneration Committee or the Board, as applicable.

The remuneration structure shall comprise monthly fixed pay along with perquisites and benefits, the break-up and quantum of which shall be governed by the Company's HR policies. Such components may include, inter alia, employer's contribution to provident fund, pension or superannuation schemes, medical benefits, insurance, and other applicable allowances.

In addition to fixed remuneration, eligible employees may, at the discretion of the Management, be considered for annual variable pay. The grant of such variable pay shall not be mandatory and shall depend on the overall performance of the Company, individual performance, and such other criteria as may be determined by the Management from time to time.

Where applicable, individual performance may be assessed against pre-defined objectives and key performance indicators set at the beginning of each financial year.

This Remuneration Policy shall apply to all existing and future employment or engagement with the Company. The Policy shall serve as a guiding framework for the Board and the Committee in determining and reviewing remuneration structures from time to time.

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#### **15. DIVERSITY OF BOARD:**

In reviewing and determining the Board composition, the NRC shall consider the merit, expertise, skill, experience, gender, various geographies and other diversity of the Board. In determining whether to recommend a Director for re-election / reappointment, the NRC shall also consider the Director's past attendance at meetings, participation in meetings and contributions to the activities of the Board, and the results of the most recent evaluation done for the respective Director. The process for evaluation shall be as per the Performance Evaluation Policy of the Company.

The Board shall consist of Directors having the relevant requisite qualifications and experience in the following areas:

- Logistics and transportation sector experience (fleet, supply chain, distribution)
- Management capability and strategic planning
- Operational knowledge and domain expertise
- Financial acumen
- Leadership and decision-making ability
- Business development and growth strategy

- Regulatory and compliance understanding (transport laws, risk management)
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## 16. ASSISTANCE FROM EXTERNAL AGENCIES

The Nomination and Remuneration Committee may, as and when required, seek assistance from external experts or professional agencies for the purpose of identifying suitable candidates, benchmarking remuneration, or facilitating performance evaluation, if required.

Such engagement shall ensure that the Committee's recommendations are objective, well-informed and based on established methodologies, including appropriate parameters for assessing performance through a structured and transparent process.

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## 17. DISCLOSURES

The following disclosures are required under Companies Act, 2013 and the listing regulations:

- Nomination and Remuneration Policy shall be placed on the website of the Company and the salient features of the policy and changes therein, if any, along with the web address of the policy shall be disclosed in the Board's Report. (proviso to Section 178(4) of the Act).
- Company shall disclose the Criteria for performance evaluation of Independent Directors, as laid down by Nomination Committee, in its Annual Report. (Regulation 34 read with Schedule V of Listing Regulations)
- All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company shall be disclosed in the Annual Report. (Regulation 34 read with Schedule V of listing regulations)
- In addition to the disclosures required under the Companies Act, 2013, the following disclosures on the remuneration of Directors shall be made in the section on the corporate governance/Board Report of the Annual Report:
  - (a) All elements of remuneration package of individual Directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.
  - (b) Details of fixed component and performance linked incentives, along with the performance criteria.
  - (c) Service contracts, notice period, severance fees.
  - (d) Stock option details, if any - and whether issued at a discount as well as the period over which accrued and over which exercisable. (Regulation 34 read with Schedule V of listing regulations)

- The Company shall publish its criteria of making payments to Non-Executive Directors in its annual report. Alternatively, this may be put up on the Company's website and reference drawn thereto in the annual report. (Regulation 34 read with Schedule V of listing regulations)
  - Non-Executive Directors shall disclose their shareholding held either by them or on a beneficial basis for any other persons in the listed entity in which they are proposed to be appointed as Directors, in the notice to the general meeting called for appointment of such Director. (Regulation 26 (4) of listing regulations), if applicable
  - Senior management shall make disclosures to the Board relating to all material financial and commercial transactions, where they have personal interest, that may have a potential conflict with the interest of the Company at large (for e.g. dealing in Company shares, commercial dealings with bodies, which have shareholding of management and their relatives etc.) (Regulation 26 (5) of listing regulations), if applicable.
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- The Company shall disclose in the Board's report, the ratio of the remuneration of each Director to the median employee's remuneration and such other details as may be prescribed under Rule 5 of the Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014. (section 197(12) of the Act).
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## **18. DISSEMINATION OF POLICY**

This Policy shall also be posted on the website of the Company and the details of this Policy, including the evaluation criteria, shall be mentioned in the Board's Report.

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## **19. REVIEW AND AMENDMENT**

- The Board of Directors may, on its own or based on the recommendation of the Nomination and Remuneration Committee, review, amend, modify or revise this Policy from time to time, as may be considered necessary and in compliance with applicable laws.
  - The Company Secretary and Compliance Officer is authorized to make non-material, administrative or clerical modifications to this Policy for the purpose of aligning the same with statutory amendments, notifications, circulars, guidelines or clarifications issued by regulatory authorities from time to time, subject to noting by the Nomination and Remuneration Committee and/or the Board of Directors.
  - In the event of any inconsistency between this Policy and the provisions of the Companies Act, 2013, SEBI Listing Regulations or any other applicable laws, rules, regulations, notifications, circulars or clarifications issued by the relevant authorities from time to time, the provisions of such applicable laws and regulations shall prevail and this Policy shall be deemed to have been modified accordingly from the effective date of such amendment or notification.
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## **20. VIGILANCE REGARDING CONFLICT OF INTEREST**

Members of the Nomination and Remuneration Committee shall abstain from discussion and voting on matters in which they are interested or concerned.

## **21. OTHER DISCLOSURES**

- The Company shall make such other disclosures as may be required under the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws, rules, regulations, circulars and guidelines, as may be amended from time to time.
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