

NewSpace India Limited (NSIL)

(A Government of India Company under Department of Space)



REMUNERATION POLICY

Version	Date of Board Approval
Initial Policy - R0	28.05.2024

ISRO HQ Campus, New BEL Road, Bengaluru – 560094

POLICY RELATING TO REMUNERATION OF DIRECTORS AND EMPLOYEES

1) INTRODUCTION

- 1.1 The remuneration policy deals with remuneration of Directors and employees of NewSpace India Limited, prepared in accordance with applicable provisions of Companies Act and Department of Public Enterprises (“DPE”) Guidelines.

2) OBJECTIVE

- 2.1 To recommend to the Board a policy, based on the Department of Public Enterprises (“DPE”) guidelines and approval received from the Government of India (“GOI”) in this regard, relating to the remuneration of Directors and employees of the Company.

3) DEFINITIONS

- 3.1 “Act” means the Companies Act, 2013 and rules framed thereunder, as amended from time to time.
- 3.2 “Board” means the Board of Directors of the Company.
- 3.3 “Committee” means the Remuneration Committee.
- 3.4 “Company” means NewSpace India Limited.
- 3.5 “Directors” mean members of the Board.
- 3.6 “Employees” mean all the employees other than the Directors of the Company.
- 3.7 “Independent Directors” means a director referred to in Section 149 (6) of the Act.

4) REMUNERATION COMMITTEE

- 4.1 The Committee shall comprise of at least three directors, all of whom should be part time Directors (i.e Nominee Directors or Independent Directors);
- 4.2 The Company Secretary of the Company shall act as secretary to the Committee;
- 4.3 Terms of reference of the Committee shall be continued unless terminated by the Board;
- 4.4 The Chairperson of the Committee shall be an Independent Director; During the absence of Independent Directors on Board of the Company, one of the Government Directors, as approved by the Board, shall act as Chairman of the Committee
- 4.5 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

5) ROLES AND RESPONSIBILITIES OF THE COMMITTEE:

- 5.1 Decide on the annual bonus/ performance pay/ variable pay pool and policy for its distribution across the executives and non-executives of the company in accordance with guidelines/directions of the Govt. of India;
- 5.2 Exercising such other roles assigned to it by the provisions any laws and their amendments from time to time.

6) KEY PRINCIPLES GOVERNING REMUNERATION ARE AS FOLLOWS:

NewSpace India Limited being a Government Company within the meaning of Section 2 (45) of the Companies Act, 2013, operating under the Department of Space, the key principles governing remuneration are as follows:

6.1 REMUNERATION OF WHOLE TIME DIRECTORS

6.1.1 The salary and/or allowances and PRP (“Performance related Pay”) (based on performance of the Company and Individual) of the Whole Time Directors are decided by the Administrative Ministry, pursuant to the DPE guidelines, amended from time to time.

6.2 REMUNERATION OF INDEPENDENT DIRECTORS

6.2.1 Independent Directors are appointed by the President of India on the recommendation of DPE. The remuneration to Independent Directors is paid by way of sitting fee for attending Board of Directors meeting and Committees meetings thereof. The sitting fee is being paid to Independent Directors within the ceiling limit prescribed under Section 197 (5) read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

6.2 REMUNERATION OF GOVERNMENT DIRECTORS

6.3.1 No remuneration either by way of salary/allowances or sitting fee is paid to a Government Director.

6.3 REMUNERATION OF EMPLOYEES

6.4.1 The remuneration and compensation to be paid to the employees, will be determined based on the DPE guidelines and notifications issued by Government of India from time to time. The variable payment which is related to performance will be decided by the Committee based on the

scheme formulated in accordance with the GOI and DPE guidelines and approved by the Board.

6.5 PREMIUM ON INSURANCE POLICY

6.5.1 Any insurance is taken by the Company on behalf of its Directors, Key Managerial Personnel and any other employees for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of the remuneration.

7) POLICY IMPLEMENTATION

7.1 The Remuneration Committee is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy. The Policy shall be effective from the date of approval by the Board, unless specified otherwise.

8) AMENDMENT(S)

8.1 In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law.

8.2 This Policy shall be reviewed by the Committee as and when any notification or amendments are notified by the regulatory authorities affecting the policy formed hereinabove. Any changes or modifications in the Policy as

recommended by the Committee would be submitted for approval of the Board of Directors.

9) DISSEMINATION OF POLICY

9.1 The Policy shall also be posted on the website of the Company.

@@@@@