



BIRLA PRECISION TECHNOLOGIES LIMITED NOMINATION AND REMUNERATION POLICY

(As Revised and Approved by the Board of Directors at the Meeting held on May 29, 2026)

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1. Introduction

The Nomination & Remuneration Policy ("Policy") of Birla Precision Technologies Limited ("BPTL" or "Company") is formulated under the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations" or "SEBI LODR") and other applicable laws (hereinafter referred to as "Relevant Laws").

2. Objective and Purpose

The objectives and purpose of this Policy are:

- 2.1 To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Whole-time / Non-executive / Independent) of the Company; and
- 2.2 To recommend policy relating to the remuneration of the Directors, KMP and Senior Management to the Board. This includes reviewing and approving corporate goals and objectives relevant to the compensation of the Whole-time Directors, evaluating their performance in light of those goals and objectives, and determine and approve Whole-time Directors' compensation based on such evaluation; making recommendations to the Board with respect to KMP and Senior Management compensation; and recommending incentive-compensation and equity-based plans that are subject to approval of the Board.

3. Constitution of the Nomination and Remuneration Committee

3.1 The Board has constituted the "Nomination and Remuneration Committee" of the Board on October 10, 2014. This Policy of the Nomination and Remuneration Committee is integral to its functioning and is to be read together with the Terms of Reference of the Committee. The Board has the authority to reconstitute this Committee from time to time.

3.2 **Composition:** In accordance with Regulation 19(1) and 19(2) of the SEBI LODR Regulations, 2015 and Section 178(1) of the Companies Act, 2013, the NRC shall comprise at least three (3) members, with a majority being Non-Executive Directors and at least two (2) being Independent Directors. The Chairperson of the NRC shall be an Independent Director.

3.3 **Quorum:** The quorum for a meeting of the NRC shall be either two (2) members or one-third (1/3rd) of the total number of members, whichever is greater, provided that at least two (2) Independent Directors are present.

3.4 **Meeting Frequency:** The NRC shall meet at least once in every financial year, as required under Regulation 19(3A) of the SEBI LODR Regulations, 2015. Additional meetings may be convened as and when the business of the Committee so requires.

4. Definitions

The following terms shall have the meanings assigned to them below:

- a. 'Board' means the Board of Directors of the Company.
- b. 'Directors' means directors of the Company.
- c. 'Committee' or 'NRC' means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.

- d. 'Company' means Birla Precision Technologies Limited.
- e. 'Independent Director' means a Director referred to in Section 149(6) of the Act and rules made thereunder and the Listing Regulations.
- f. 'Key Managerial Personnel (KMP)' means: (i) the Managing Director, Chief Executive Officer, or Manager; (ii) the Whole-time Director; (iii) the Company Secretary; (iv) the Chief Financial Officer; and (v) any other person as defined under the Act from time to time.
- g. '**Senior Management Personnel (SMP)**' means officers / personnel of the Company who are members of its core management team excluding the Board of Directors, comprising members of management **one level below the Executive Directors, including all Functional Heads**, as per **Regulation 16(1)(b) of the SEBI LODR Regulations, 2015**, read with Regulation 2(1)(bb) thereof. This specifically includes, but is not limited to: Presidents, Heads of Functions / Departments (including Head-Finance, Head-HR, Head-Operations, Head-Sales & Marketing, Head-Legal, Head-IT, Head-Manufacturing, Plant Heads), Chief Financial Officer and Company Secretary.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act and Listing Regulations, as may be amended from time to time, shall have the meanings respectively assigned to them therein.

5. General

This Policy is divided into three parts:

Part A covers the matters to be dealt with and recommended by the Committee to the Board.

Part B covers the appointment, removal and related compliance obligations for Directors, KMP and Senior Management.

Part C covers remuneration for Directors, KMP and Senior Management.

PART – A

Matters to be dealt with, perused and recommended to the Board by the NRC

The following matters shall be dealt with by the Committee:

a) Size and Composition of the Board: Periodically reviewing the size and composition of the Board to have an appropriate mix of executive, non-executive and independent Directors to maintain its independence and separate its functions of governance and management, and to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company.

The Committee shall also assist the Board in ensuring the Board nomination process is in line with the Board Diversity Policy of the Company at [website link](#), relating to differences in thought, perspective, regional and industry experience, cultural and geographical background, age, ethnicity, race, gender, knowledge and skills, including expertise in financial, global business, leadership, technology, mergers and acquisitions, Board service, strategy, sales and marketing, and other domains.

b) Directors: Formulate the criteria for determining qualifications, positive attributes of a Director and recommend candidates to the Board when circumstances warrant the appointment of a new Director, having regard to qualifications, integrity, expertise and experience for the position.

c) Succession Plans: Establishing and reviewing succession plans for the Board, KMP and Senior Management, to ensure an appropriate balance of skills, experience and expertise.

d) Evaluation of Performance:

- i. Make recommendations to the Board on appropriate performance criteria for the Directors.
- ii. Formulate the criteria and framework for the evaluation of the performance of every Director on the Board, or engage with a third-party facilitator in doing so.
- iii. Formulate criteria for performance evaluation of KMP and Senior Management Personnel, which shall be linked to their annual remuneration increments and incentive pay. Such evaluation shall be conducted annually by the Managing Director / CEO, and the results placed before the Committee.
- iv. In terms of Regulation 25(4) of SEBI LODR 2015 and Schedule IV of the Companies Act, 2013, the Independent Directors shall hold at least one separate meeting per financial year, without the presence of Non-Independent Directors and Management, to: (a) review the performance of Non-Independent Directors and the Board as a whole; (b) review the performance of the Chairperson of the Company; and (c) assess the quality, quantity and timeliness of flow of information between the Company management and the Board. The outcome of such meeting shall be shared with the full Board.
- v. The outcome of the annual Board performance evaluation shall be disclosed in the Corporate Governance Report forming part of the Annual Report, as required under Regulation 17(10) and Regulation 34(3) read with Schedule V of SEBI LODR 2015.
- vi. Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

e) Remuneration Framework and Policies: The Committee is responsible for reviewing and making recommendations to the Board on: remuneration of Whole-time Directors; individual and total remuneration of Non-Executive Directors and the Chairperson; remuneration policies for KMP and Senior Management including base pay, incentive payments, equity awards, retirement rights and severance pay; and the Company's incentive compensation and equity-based plans.

PART – B

Policy for Appointment, Removal and Related Compliance Obligations for Directors, KMP and Senior Management

a) Appointment Criteria and Qualifications

1. The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP or Senior Management and recommend to the Board his/her appointment. The Committee has discretion to decide whether the qualification, expertise and experience possessed by a person are sufficient / satisfactory for the position.
2. A person to be appointed as Director, KMP, or Senior Management should possess adequate qualifications, expertise and experience for the position he/she is considered for.

3. A person to be appointed as Director should possess an impeccable reputation for integrity, deep expertise and insights in sectors/areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.
4. For every appointment of an Independent Director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and, based on such evaluation, prepare a description of the role and capabilities required. The person recommended for such a role shall meet the description.
5. For the purpose of identifying suitable candidates, the Committee may: (a) use the services of an external agency, if required; (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and (c) consider the time commitments of the candidates.
6. The Company shall appoint or continue the employment of a person as Managing Director / Whole-time Director who has not attained the maximum age of retirement as prescribed under relevant laws.
7. A Whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a Whole-time KMP can be appointed as a Director in any company, with the permission of the Board.
8. The Company shall not appoint any resigning Independent Director as a Whole-time Director, unless a period of one year has elapsed from the date of his/her resignation as an Independent Director.

b) Term / Tenure

1. Managing Director / Whole-time Director: The Company shall appoint or re-appoint any person as its Managing Director, CEO or Whole-time Director as per the relevant laws.
2. Non-Executive Director: A Non-Executive Director's office is subject to retirement by rotation at the Annual General Meeting in the manner as specified under relevant laws.
3. Independent Director: An Independent Director shall be appointed / re-appointed in the manner as specified under relevant laws.

c) Removal

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

d) Retirement

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the Relevant Laws. The Board will have the discretion to retain the Directors, KMP and Senior Management in the same position/remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company, subject to approvals as required under the Relevant Laws.

e) Disclosure to Stock Exchange(s) [Inserted pursuant to Reg 30, SEBI LODR 2015]

Upon the appointment, resignation, removal or change in designation of any KMP or Senior Management Personnel, the Company Secretary & Compliance Officer shall make the requisite disclosures to Stock exchanges within **24 hours** of the occurrence of such event, or within 24 hours of the conclusion of the NRC / Board meeting at which such change is approved or noted, as required under **Regulation 30 read with Schedule III, Part A, Para A(7) of the SEBI LODR Regulations, 2015**. Such disclosures shall include the

name, designation, date of appointment / cessation, brief profile, and terms of remuneration wherever applicable.

f) Annual Affirmation of Code of Conduct [Inserted pursuant to Reg 26(3), SEBI LODR 2015]

All Directors and Senior Management Personnel shall affirm compliance with the Company's Code of Conduct on an annual basis, as required under Regulation 26(3) of the SEBI LODR Regulations, 2015. The Company Secretary shall collect and maintain such annual affirmations.

The Managing Director / CEO shall provide a declaration in the Corporate Governance Report forming part of the Annual Report, confirming that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company, as required under Regulation 34(3) read with Schedule V of SEBI LODR 2015.

g) Related Party Considerations in SMP Appointments [Inserted pursuant to Sec 188, CA 2013 and Reg 23, SEBI LODR 2015]

Where the proposed appointee as a Senior Management Personnel is a relative of a Director or KMP of the Company, the NRC shall flag such appointment as a potential Related Party Transaction. In such cases:

- Prior approval of the Audit Committee shall be obtained under Section 177 of the Companies Act, 2013 and Regulation 23 of SEBI LODR 2015, before the NRC recommends the appointment to the Board.
- The interested Director shall not participate in the NRC/Board discussion or vote on the appointment.
- The appointment shall be disclosed to the Stock Exchange(s) as a Related Party Transaction as required under applicable laws.

PART – C

Policy Relating to Remuneration for Directors, KMP and Senior Management

a) General

1. The remuneration / compensation / commission, etc., to be paid to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Managing Director / Whole-time Director shall be in accordance with the provisions of the Act and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board, which should be within the limits approved by the Shareholders in the case of Managing Director / Whole-time Director.
4. Where any insurance is taken by the Company on behalf of its Directors, KMP and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel, except where the person is proved to be guilty.

b) Remuneration to KMP and Senior Management

The pay program for KMP and Senior Management has been designed around three primary pay components: Base / Fixed Pay, Performance Bonus and Long-term Incentives. These three components together constitute the "Total Rewards" of the KMP and Senior Management.

- a. Base / Fixed Pay: Guaranteed pay, paid periodically (usually monthly) as per the Company's payroll policy.
- b. Performance Bonus: Cash bonus payable on achievement of objective and quantifiable Key Performance Indicators (KPIs) as established by the Committee, reflecting both individual and Company performance.

c) Remuneration to Other Employees

The compensation for other employees would be as per the compensation policy of the Company, as revised through the annual compensation review process from time to time and approved by the Chief Executive Officer, in consultation with the Head of HR.

d) Minimum Remuneration to Whole-time Directors

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of Schedule V of the Act.

e) Remuneration to Non-Executive / Independent Directors

The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of relevant laws. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Non-Executive / Independent Directors in accordance with the provisions of Schedule V of the Act.

- Independent Directors shall not be entitled to any stock incentive of the Company.
- The remuneration to Non-Executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

f) Disclosure of Remuneration Policy [Inserted pursuant to Reg 46(2)(r), SEBI LODR 2015]

This Nomination and Remuneration Policy shall be: (a) disclosed on the Company's website at www.birlaprecision.com; and (b) disclosed in the Corporate Governance Report forming part of the Annual Report of the Company, as required under Regulation 46(2)(r) and Regulation 34(3) read with Schedule V of the SEBI LODR Regulations, 2015.

6. Policy Review

- a. This Policy is framed based on the provisions of the Act and rules thereunder and the requirements of Listing Regulations with the Stock Exchanges.
- b. In case of any subsequent changes in the provisions of the Act or any other regulations that make any of the provisions in the Policy inconsistent with the Act or regulations, the provisions of the Act or regulations would prevail over the Policy, and the provisions in the Policy would be modified in due course to make it consistent with the law.
- c. Any changes or modifications to the Policy as recommended by the Committee would be placed before the Board of Directors for their approval, and the revised Policy shall thereafter be uploaded on the Company's website as required under Regulation 46 of SEBI LODR 2015.

BIRLA PRECISION TECHNOLOGIES LIMITED

BOARD DIVERSITY POLICY

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1. PURPOSE

The need for diversity in the Board has come into focus post the changes in the provisions of the Companies Act, 2013 (“Act”) and the corporate governance requirements as prescribed by Securities and Exchange Board of India (“SEBI”) under the Listing Agreement(s).

This Board Diversity Policy(‘*Policy*’) sets out the approach to diversity on the Board of Directors (‘*Board*’) of Birla Precision Technologies Limited (‘*BPTL*’).

2. SCOPE

This Policy applies to the Board of the Company.

3. POLICY STATEMENT

BPTL recognizes and embraces the importance of a diverse Board in its success. BPTL believes that a truly diverse Board will leverage inter alia differences in thought, perspective, regional and industry experience, cultural and geographical background, age, ethnicity, race, gender, knowledge and skills including – expertise in financial, global business, leadership, technology, mergers & acquisitions, Board’s service, strategy, sales and marketing, environment social & governance (“ESG”), risk and cyber security and other domains, which will ensure that BPTL retains its competitive advantage.

BPTL believes that a diverse Board will contribute to the achievement of its strategic and Commercial objectives, including but not limited to:

- provide impetus to and drive business results;
- enhance effectiveness of corporate governance;
- enhance quality and responsible decision making capability;
- ensure sustainable development; and
- enhance the reputation of Birla Precision Technologies Limited.

The Nomination and Remuneration Committee(‘*Committee*’) is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions.

The Committee will ensure that no person is discriminated against on grounds of religion, race, gender, pregnancy, childbirth or related medical conditions, national origin or ancestry, marital status, age, sexual orientation, or any other personal or physical attribute or challenges which does not speak to such person’s ability to perform as a Board member.

Accordingly, the Committee shall:

- assess the appropriate mix of diversity, skills, experience and expertise required on the Board and assess the extent, to which the required skills are represented on the Board,
- make recommendations to the Board in relation to appointments, and maintain an appropriate mix of diversity, skills, experience and expertise on the Board, and
- periodically review and report to the Board requirements, if any, in relation to diversity on the Board.

The Board shall have an optimum combination of executive, non-executive and independent directors in accordance with requirements of the Articles of Association of BPTL, the Companies Act, 2013, Listing Agreement(s) and the statutory, regulatory and contractual obligations of the Company.

The effective implementation of this Policy requires that shareholders are able to judge for themselves whether the Board as constituted is adequately diverse. To this end, BPTL shall continue to provide sufficient information to shareholders about the size, qualifications and characteristics of each Board member.

4. REVIEW

The Committee will review this Policy periodically and recommend appropriate revisions to the Board, in line with the changes that may be brought about due to any regulatory amendments or otherwise.