



# Addendum to the AGM Notice

**Addendum to the NOTICE of the THIRTY-THIRD Annual General Meeting of the Members of Persistent Systems Limited to be held on Tuesday, July 18, 2023, at 1600 Hrs. (India Time) at Persistent Systems Limited, Dewang Mehta Auditorium, 'Bhageerath', 402 Senapati Bapat Road, Pune 411 016, India, in-Person or through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) at the Members' best convenience.**

Dear Shareowner,

Persistent Systems Limited (the "Company") has issued a notice dated June 6, 2023 ("Notice of the AGM") for convening the THIRTY-THIRD Annual General Meeting of the Members of the Company on Tuesday, July 18, 2023, at 1600 Hrs. (India Time) at Persistent Systems Limited, Dewang Mehta Auditorium, 'Bhageerath', 402 Senapati Bapat Road, Pune 411 016, India, in-Person or through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) at the Members' best convenience. The Notice of the AGM has been dispatched to the Members on June 21, 2023, in due compliance with the provisions of the Companies Act, 2013 read with the relevant rules made thereunder.

Item Nos. 6, 7, 8, and 9 of the Special Businesses from the Notice of the AGM pertains to seeking approval of the Members for the amendments in the 'Persistent Employee Stock Option Scheme 2014' ("PESOS 2014") and 'Persistent Systems Limited – Employee Stock Option Plan 2017' ("ESOP 2017"). In the Explanatory Statement of Notice of the AGM, 'Point No (d) Requirements of vesting and period of vesting' provides the vesting criterion approved by the Committee and Board for the fresh pool of Options under these Schemes.

However, the Members may note that for greater alignment with the Members' interests and to bring more clarity on the vesting criteria under both these schemes, the Committee and Board on July 5, 2023, considered it more appropriate to revise the original disclosure provided in the Explanatory Statement to Item No. 6, 7, 8, and 9, by way of an amendment to the Notice of the AGM through this 'Addendum to the Notice of the AGM' ("Addendum").

The key revisions are as under:

- (1) In respect of PESOS 2014, making the percentage of Performance-based vesting to 100% (as compared to 50% time based and 50% performance-based proposed earlier); and
- (2) defining the specific Company's Performance-based criteria for both schemes.

The details of the revision form part of this Addendum and the Members are requested to kindly take note of the same.

This Addendum shall form an integral part of the Notice of the AGM which has already been circulated to the Members of the Company and on and from the date hereof, the Notice of the AGM shall always be read in conjunction with this Addendum. This Addendum will also be published in the Financial Express (in English) and Loksatta (in Marathi) and will also be available on the website of BSE Ltd. ([www.bseindia.com](http://www.bseindia.com)), the National Stock Exchange of India Ltd. ([www.nseindia.com](http://www.nseindia.com)) and on the website of the Company at <https://www.persistent.com/wp-content/uploads/2023/07/Addendum-to-the-AGM-Notice-2023.pdf>

All other contents of the Notice of the AGM including the Special Resolutions as proposed in Item Nos. 6, 7, 8, and 9 save and except as modified or supplemented by this Addendum, shall remain unchanged.

#### **Addendum to the Explanatory Statement for Item Nos. 6, 7, 8, and 9 of the Notice of the AGM**

As a change to the information under 'Point No. (d) of the Explanatory Statement for Item Nos. 6, 7, 8, and 9 of the Special Businesses, on Page No. 22 of the Notice of the AGM regarding the Vesting Criterion approved by the Committee and Board for the fresh pool of Options under the Features of the PESOS 2014 and ESOP 2017, the explanation on Point No. (d) shall be substituted as under:

##### **Existing Disclosure under Point No. (d) Requirements of vesting and period of vesting**

In addition to this, the Committee may also specify certain performance parameters, detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted would vest.

Currently, the Vesting Criteria approved by the Committee and Board for the fresh pool of Options under both Schemes are as below:

- a\ 50% of the Options granted shall have time-based vesting; and
- b\ 50% of the Options granted shall have performance-based vesting

The attainment of performance parameters would be a mandatory condition for the vesting of Options under both Schemes as determined by the Committee from time to time. The Performance parameters will include revenue growth, earnings growth, individual performance, etc. The Committee may vary the weightages depending on business requirements.

##### **Amended Disclosure under Point No. (d) Requirements of vesting and period of vesting**

In addition to this, the Committee and the Board have specified the following vesting criteria for the fresh pool of options under PESOS 2014:

- a. 100% of the options granted under PESOS 2014 shall have performance-based vesting;
- b. As regards the Company's Performance Based Criteria:
  - \ The Revenue growth of the Company is at least 12% per annum based on the immediately preceding financial year for any vesting; and
  - \ The EPS growth of the Company is at least 12% per annum based on the immediately preceding financial year for any vesting;
- c. In addition to the above performance criteria for the Company, the individual performance of the eligible employee will also be considered.

Whereas, the Committee and the Board have specified the following vesting criteria for the fresh pool of options under ESOP 2017:

- a. 50% of the options granted under ESOP 2017 shall have time-based vesting;
- b. 50% of the options granted under ESOP 2017 shall have performance-based vesting;
- c. As regards the Company's Performance Based Criteria:
  - \ The Revenue growth of the Company is at least 12% per annum based on the immediately preceding financial year for any vesting;
  - \ The EPS growth of the Company is at least 12% per annum based on the immediately preceding financial year for any vesting; and
- d. In addition to the above performance criteria for the Company, the individual performance of the eligible employee will also be considered.

Accordingly, the revised vesting criteria for PESOS 2014 and ESOP 2017 are summarized in the below table:

	<b>PESOS 2014</b>	<b>ESOP 2017</b>
Grant/Exercise Price	Equal to the face value of shares i.e., ₹ 10 per Option	Equal to the value being at a discount of 15% (fifteen percent) from the Market Price (as defined in the SEBI SBEB Regulations) within the meaning of the plan
Time-based vesting	0%	50%
Performance-based vesting	100%	50%
Revenue Growth Threshold	At least 12% per annum	At least 12% per annum
EPS Growth Threshold	At least 12% per annum	At least 12% per annum
Individual Performance Criteria	Applicable	Applicable

Consent of the members is being sought by way of special resolutions pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulations 6 and 7 of the SEBI SBEB Regulations.

The details relating to the other proposals in the AGM Notice are unchanged.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in this resolution, except to the extent they may be lawfully granted options under PESOS 2014.

The Board of Directors recommends the resolutions at Item Nos. 6, 7, 8 and 9 for the approval of the Members as Special Resolutions.

In light of above, you are requested to accord your approval to the Special Resolutions as set out in Item Nos. 6, 7, 8 and 9 of the Notice of the AGM.

By the order of the Board of Directors

**Amit Atre**

Company Secretary

ICSI Membership No.: ACS 20507

Pune, July 6, 2023



**Persistent**

See Beyond, Rise Above


Persistent Systems Limited  
CIN: L72300PN1990PLC056696

Registered Office  
'Bhageerath', 402 Senapati Bapat Road  
Pune 411 016, India  
Tel: +91 20 6703 0000  
Fax: +91 20 6703 0008  
[info@persistent.com](mailto:info@persistent.com)  
[www.persistent.com](http://www.persistent.com)

 persistent-systems

 persistentsys

 persistentsystems

 persistent\_systems