



**RE SUSTAINABILITY LIMITED**

CIN: U74140TG1994PLC018833

Registered Office: Level 11B, Aurobindo Galaxy,  
Hyderabad Knowledge City, Hitech City Road, Gachibowli, Hyderabad 500081

Tel. +91-40-23015000

E-mail: - [cs.reel@resustainability.com](mailto:cs.reel@resustainability.com)

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**Notice of Extra-Ordinary General Meeting**

**NOTICE** is hereby given that 01/2024-25 Extra-Ordinary General Meeting of the members of Re Sustainability Limited ('the Company') will be held at shorter notice on Monday, 16<sup>th</sup> September, 2024 at 10:30 AM (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") in accordance with the applicable provisions of the Companies Act, 2013 ("Act, 2013") read with Ministry of Corporate Affairs (MCA) General Circular No. 14/ 2020 dated 08.04.2020, and General Circular No. 03/ 2022 dated 05.05.2022, General Circular No. 11/2022 dated 28.12.2022 and General Circular No. 09/2023 dated 25.10.2023, to transact the following special business:-

**SPECIAL BUSINESS:**

**1. TO APPROVE THE CHANGE IN DESIGNATION OF MR. M GOUTHAM REDDY FROM MANAGING DIRECTOR TO THE EXECUTIVE VICE CHAIRMAN OF THE COMPANY**

To pass the following resolution with or without modification as an **Ordinary Resolution**

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and other applicable provisions of the Companies Act, 2013, and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, including any statutory amendments, modifications or reenactment thereof and such other approvals, as may be required, and on recommendation of Nomination and Remuneration Committee and of the Board, Consent of the Members of the Company be and is hereby given for change in Designation of Mr. M. Goutham Reddy (DIN 00251461), from the Managing Director to the Executive Vice Chairman of the Company, liable to retire by rotation, with effect from 26<sup>th</sup> August, 2024 to 25<sup>th</sup> August, 2029 and on such terms and conditions and remuneration as approved by the Nomination and Remuneration Committee in its meeting, in accordance with the provisions of the Companies Act, 2013 and in the best interest of the Company.

**RESOLVED FURTHER THAT** Mr. Sujiv Nair, Chief Human Resource Officer of the Company be and is hereby authorized to make such amendments or modifications in the employment agreement as may be recommended by the NRC or the Board of Directors of the Company;

**RESOLVED FURTHER THAT,** any of the Executive Directors or the Company Secretary of the Company, be and are hereby severally authorised to take such steps as may be necessary in relation to the above resolution and to make necessary entry in the relevant registers in respect of the above re-appointment and also to do all such acts, deeds, matters and things as may be considered necessary or ancillary or incidental thereto.”

## 2. TO APPROVE THE PROMOTION OF MR. MASOOD ALAM MALLICK FROM WHOLE TIME DIRECTOR AND CEO TO THE MANAGING DIRECTOR AND CEO OF THE COMPANY

To pass the following resolution with or without modification as an **Ordinary Resolution**

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, including any statutory amendments, modifications or reenactment thereof and such other approvals, as may be required, and on recommendation of Nomination and Remuneration Committee and of the Board, Consent of the Members of the Company be and is hereby given for promotion of Mr. Masood Alam Mallick (having DIN:01059902) from Whole Time Director & CEO to the Managing Director and CEO of the Company, liable to retire by rotation, with effect from 26<sup>th</sup> August, 2024 to 25<sup>th</sup> August, 2029, and on such terms and conditions and remuneration as approved by the Nomination and Remuneration Committee in its meeting, in accordance with the provisions of the Companies Act, 2013 and in the best interest of the Company.

**RESOLVED FURTHER THAT** Mr. Sujiv Nair, Chief Human Resource Officer of the Company be and is hereby authorized to make such amendments or modifications in the employment agreement as may be recommended by the NRC or the Board of Directors of the Company;

**RESOLVED FURTHER THAT**, any of the Executive Directors or the Company Secretary of the Company, be and are hereby severally authorised to take such steps as may be necessary in relation to the above resolution and to make necessary entry in the relevant registers in respect of the above re-appointment and also to do all such acts, deeds, matters and things as may be considered necessary or ancillary or incidental thereto.”

## 3. APPROVAL OF CHANGE IN TERMS OF THE ESOP AGREEMENT

To consider and if thought fit to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT**, pursuant to the provisions of Companies Act. 2013, the Companies (Share Capital and Debentures) Rules, 2014 for the time being in force and as may be modified from time to time, and other rules, regulations, circulars and guidelines of any / various statutory / regulatory authority(ies) that are or may become applicable, in accordance with the articles of association, and 2019 Share Option Plan for Key Employees of Re Sustainability Limited and its Subsidiaries (**“Plan-I”**) adopted by the Company, as amended from time to time, based on the recommendation of the Nomination and Remuneration Committee and the Board, approval of the shareholders of the Company be and is hereby accorded to the following amendments in the Share Option Agreements and scheme executed by the Company in relation to the grant of employee stock options under Plan-I:-

(i) *Inclusion of Section 3.1.2 (iv) following Section 3.1.2(iii):*

*“(iv) Notwithstanding anything contained in this Option Agreement, the Committee shall have the discretion to relax any vesting condition for the Performance Options and permit the vesting of any Performance Options.”*

(ii) “**Section 3.3. Expiration of Option (clause stands amended and replaced with the following)**

*After the first occurrence of any of the following events, the Participant shall not exercise any vested portion of the Time Option or of the Performance Option:*

- i. The tenth (10<sup>th</sup>) anniversary of the Grant Date;*
- ii. The first (1st) anniversary of the date of the termination of Participant’s employment with the Service Recipient, if Participant’s employment is terminated by reason of death or Disability;*
- iii. The date of (I) the Service Recipient’s termination of Participant for Cause notwithstanding Sections 3.1.1 (ii)(E) and 3.1.2 (ii)(B) of this Option Agreement, or (II) Participant’s voluntary resignation without Good Reason, if such resignation occurs on or prior to (A) April 1, 2021, for the Options granted on May 2, 2019; and (B) the 2nd (second) anniversary of the Grant Date, for other Options;*
- iv. **Fifth (5<sup>th</sup>)** anniversary after the date of Participant’s voluntary resignation without Good Reason (except due to Participant’s death or Disability) if such resignation occurs after (A) April 1, 2021 for the Options granted on May 2, 2019; and (B) for other Options, the 2nd (second) anniversary of the Grant Date, irrespective of the type of Options held by such Participant;*
- v. **Fifth (5<sup>th</sup>)** anniversary after the date of (a) the Service Recipient’s termination of Participant’s employment without Cause (except due to death or Disability); or (b) Participant’s voluntary resignation for Good Reason; or*
- vi. Notwithstanding any of the foregoing, if the Committee so determines pursuant to Section 9 of the Plan I.*

*For purposes of the foregoing, Participant’s date of termination shall be the earliest of (a) the date on which the Service Recipient provides Participant with a notice of termination, (b) the last day of Participant’s active employment with the Service Recipient; or (c) the last day on which Participant is an employee of the Service Recipient, as determined in each case without including any required advance notice period and irrespective of the status of the termination under local labor or employment laws. Unless otherwise expressly provided in this Option Agreement or determined by the Committee, (y) Participant’s right to vest in the Option will terminate as of the earliest date described in the immediately preceding sentence and will not be extended by any notice period (e.g., Participant’s period of employment would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where Participant is employed or the terms of Participant’s employment agreement, if any); and (z) the period (if any) during which Participant may exercise the vested portion of the Option after such termination will commence as of the earliest date described in the immediately preceding sentence and will not be extended by any notice period mandated under employment laws in the jurisdiction where Participant is employed or terms of Participant’s employment agreement, if any. The Committee shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of the Option (including whether Participant may still be considered to be providing services while on a leave of absence).”*

**RESOLVED FURTHER THAT**, the above-mentioned amendments shall come into effect from April 1, 2021, and the above revised terms shall be applicable to the ESOPs that have been granted under the Plan – I since it has come into effect.

**RESOLVED FURTHER THAT**, these amendments are not prejudicial to the interests of the option holders / Participants.

**RESOLVED FURTHER THAT**, pursuant to the provisions of Companies Act. 2013, the Companies (Share Capital and Debentures) Rules, 2014 for the time being in force and as may be modified from time to time, and other rules, regulations, circulars and guidelines of any / various statutory / regulatory authority(ies) that are or may become applicable, in accordance with the articles of association, and 2019 Share Option Plan for Key Employees of Re Sustainability Limited and its Subsidiaries (“**Plan-I**”) adopted by the Company, as amended from time to time, in accordance with the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, consent of the Shareholders be and is hereby accorded for the vesting of 40% of the Performance-Based Options that have been granted to Participants who have been in employment for at least 2 years since the date of grant of such options (pro-rated in case of Participants whose employment with the Company has already ceased, for the time during which they were in employment);

**RESOLVED FURTHER THAT**, no grant of options would be made under Plan-I following the date of this resolution.

**RESOLVED FURTHER THAT** the Executive Directors, the Company Secretary and Mr. Sujiv Nair, Chief Human Resource Officer of the Company be and are hereby severally authorized to effect the above-mentioned resolutions and to do all such acts, deeds, matters and things as may be necessary or desirable, including but not limited to amendment of the individual Share Option Agreements executed in writing by the Company with the Participants, to give effect to these resolutions.”

For and on behalf of the Board  
**Re Sustainability Limited**



**Govind Singh**  
Company Secretary  
Membership No: F12380  
Place: Hyderabad  
Date: 26<sup>th</sup> Aug, 2024

## NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide General Circular No. 14/ 2020 dated 08.04.2020, and General Circular No. 03/ 2022 dated 05.05.2022, General Circular No. 11/2022 dated 28.12.2022 and General Circular No. 09/2023 dated 25.10.2023 (collectively referred to as "MCA Circulars") permitted holding of the Extraordinary General Meeting ("the Meeting/EGM") through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), without the physical presence of the Members, Directors, Auditors or other eligible persons at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act, 2013"), and aforesaid MCA Circulars, the EGM of the Company is being held through VC/OAVM. Hence, Members including the other eligible persons can attend and participate in the EGM through VC/OAVM only as per the procedure mentioned in this Notice of EGM. The deemed venue for the EGM shall be the Registered Office of the Company.
2. In line with the various circulars of MCA, the Notice of EGM is being sent only through electronic mode to those Shareholders whose valid e-mail addresses are registered with the Company/ Depositories.
3. The Company has enabled the Members to participate at the EGM through the Zoom call Video Conferencing. The instructions for participation by Members are given in the next page
4. Pursuant to Circular No. 14/2020 dated 08th April 2020, issued by the Ministry of Corporate Affairs, the facility to appoint a proxy to attend and cast vote for the Shareholders is not available for this EGM and therefore, the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, Institutional / Corporate Shareholders are entitled to appoint authorized representatives to attend the EGM through VC/OAVM and participate thereat and cast their votes. The Corporate Member is required to send a certified copy of the Board resolution authorizing their representative to attend the EGM through VC and vote on their behalf on the email address at [govind.singh@resustainability.com](mailto:govind.singh@resustainability.com).
5. The attendance of the Shareholders attending the EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. Shareholders holding shares in electronic form are requested to intimate all changes pertaining to their bank particulars nominations, power of attorney, address, name, e-mail address, contact numbers, PAN, etc., to their Depository Participant (DP).
7. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Registrars and Share Transfer Agent ("RTA") to provide efficient and better services.
8. When a poll is required to be taken during the meeting on any resolution, the member shall cast their vote on the resolution only by sending the email to [govind.singh@resustainability.com](mailto:govind.singh@resustainability.com) through their registered their registered email address which are registered with the Company.
9. All documents referred to in the Notice shall be open for inspection at the registered office of the Company on Level 11B, Aurobindo Galaxy, Hyderabad Knowledge City, Hitech City Road, Gachibowli, Hyderabad 500081 on all working days between 10 A.M. to 6 P.M. and also at the EGM.

10. **INSTRUCTIONS FOR ATTENDING THE EGM THROUGH VC:**

1. Members may access the platform to attend the EGM through VC at <https://zoom.us/j/94883715630>
2. The facility for joining the EGM shall open 15 minutes before the scheduled time for commencement of the EGM and shall be closed after the expiry of 15 minutes after such scheduled time.
3. Members are encouraged to join the Meeting using the Zoom app (preferred), Google Chrome, Internet Explorer, or Mozilla Firefox 22.
4. Members will be required to grant access to your computer's camera for video and your computer's microphone for audio to enable two-way video conferencing.
5. Members are advised to use stable Wi-Fi or LAN connection to participate at the EGM through VC in a smooth manner. Participants may experience audio/video loss due to fluctuation in their respective networks.
6. Members who may want to express their views or ask questions during the EGM may and click on the tab "chat" to post their queries in the window provided, by mentioning their name, Demat account number/folio number.
7. Members who may require any technical assistance or support before or during the EGM are requested to contact at 7337597697 or write to him at [govind.singh@resustainability.com](mailto:govind.singh@resustainability.com).

**Explanatory Statement**  
**(Pursuant to section 102 of the Companies Act, 2013)**

As required under section 102 of the Companies Act, 2013 (Act) and Para 1.2.5 of SS-2 (“Secretarial Standard on General Meetings”), the following explanatory statement sets out all material facts relating to the special business items mentioned under the accompanying Notice:

**Item No. 1**

This is to inform the Shareholders that, pursuant to the approval of the Nomination and Remuneration Committee (“NRC”) and the Board in their respective meetings held on 28<sup>th</sup> August, 2022, Mr. M Goutham Reddy (DIN 00251461) was re-appointed as the Managing Director of the Company for a further period of three years with effect from 25<sup>th</sup> September 2022 to 24<sup>th</sup> September 2025 on the terms and conditions and payment of such remuneration as may be decided by the Nomination and Remuneration Committee of the Company. Thereafter, pursuant to the provisions of sections 196, 197, 198, and Schedule V of the Companies Act, 2013 read with the rules made thereunder, the terms and conditions of the appointment and remuneration payable to the Mr. M Goutham Reddy were approved by the Shareholders of the Company.

The Shareholders are further informed that, as part of succession planning and management restructuring, it is proposed to change the designation of Mr. M Goutham Reddy from Managing Director to the Executive Vice Chairman of the Company. Mr. M Goutham Reddy satisfies all the conditions as set out in Section 196 and Part-I of Schedule V of the Companies Act, 2013, and has given his consent for his change in designation vide appointment as the Executive Vice Chairman of the Company. Mr. M Goutham Reddy is not disqualified from being appointed as the Executive Vice Chairman of the Company in terms of Section 164 of the Companies Act, 2013.

In view of the above, the approval of the Shareholders of the Company is requested for the change in designation of Mr. M Goutham Reddy from Managing Director to the Executive Vice Chairman of the Company of the Company for a period of 5 Years with effect from 26<sup>th</sup> August, 2024 to 25<sup>th</sup> August, 2029

Brief Profile of Mr. M Goutham Reddy, pursuant to para 1.2.5 of SS-2 is provided in the table below

Name of the Director	Mr. M Goutham Reddy		
Father's Name	Mr. Narsimha Reddy Mareddy		
Date of Birth	01.07.1970		
Age	54 Years		
Date of First Appointment	11.03.2002		
Experience and expertise in specific functional areas	Expert in Environmental Services with over 35 years of experience		
Qualification	Masters Degree in Civil Engineering from the US		
Directorship held in other companies	<b>S. No.</b>	<b>Name of the entity</b>	<b>Designation</b>
	1	Re Sustainability International (Singapore) Pte. Ltd.	Director
	2	Re Sustainability Cleantech Services Pte. Ltd.	Director

	3	Al Ahlia Environmental Services Co. (L.L.C).	Authorised Manager
	4	Ramky Enviro Engineers Middle East FZ-LLC	Director
	5	Ramky Risal Environmental Services Co. LLC	Director
	7	Ramky International (India) Pte. Ltd.	Director
	8	Re Sustainability Solutions Pte. Ltd.	Director
	9	Oman Maritime Waste Treatment Saoc	Representative
	10	Al Ahlia Waste Treatment LLC	Director
	11	Imdaad Al Batinah Environmental Services LLC	Representative
Chairman/member of the committee of the Board of Directors of the Company	1. Corporate Social Responsibility (CSR) Committee and 2. Executive Board Committee of the Company. 3. Risk Management Committee		
Chairman/member of the committee of the Board of Directors of other companies in which he is a director	No		
Number of shares held in the Company	40 Equity Shares (Class A)		
Number of Board Meeting attended during the year (FY 24-25)	2 Board Meetings		
Relationship with other Directors, Manager, and KMPs	Not related		
Terms and conditions of reappointment along with details of remuneration sought to be paid	As approved by the Nomination and Remuneration of the Company		

None of the directors, key managerial personnel except Mr. M. Goutham Reddy or their relatives are in any way concerned or interested, financial or otherwise in the resolutions. The Directors, therefore, recommend passing of the resolution as an Ordinary Resolution set out in the accompanying Notice.

## Item No. 2

This is to inform Shareholders that, based on the recommendation of the Nomination and Remuneration Committee (“NRC”) and approval of the Board, Mr. Masood Alam Mallick (DIN: 01059902) was appointed as the Whole Time Director (designated as Joint-Managing Director) of the Company for a period of five years with effect from December 29, 2018 to December, 28 2023. Thereafter, Mr. Mallick was also appointed as the Chief Executive Officer (“CEO”) of the Company w.e.f. 24<sup>th</sup> August, 2022.

Further, based on the approval of the NRC and the Board in their respective meetings held on 17<sup>th</sup> November, 2023, Mr. Masood Alam Mallick (having DIN: 01059902) was re-appointed as the Whole Time Director of the Company for a further period of five years with effect from December 29, 2023 to December, 28 2028, subject to the approval of the members in the Annual General Meeting of the Company. Accordingly, the said item was approved by the shareholders in the Annual General Meeting of the Company held on 26<sup>th</sup> August, 2024.



The Shareholders further informed that, as part of succession planning and management restructuring and consequent to the recommendation for change in designation of Mr. M. Goutham Reddy, erstwhile Managing Director, as the Executive Vice Chairman of the Company, it is proposed to promote Mr. Masood Alam Mallick's from Whole time Director & CEO to Managing Director & CEO of the Company.

Pursuant to the provisions of sections 196, 197, 198, and Schedule V of the Companies Act, 2013 and the rules thereunder, the terms and conditions of the appointment and remuneration payable to the Managing Director have to be reviewed and recommended by the NRC and thereafter to be approved by the Board of Directors and Shareholders of the Company.

In view of the same, the approval of the Shareholders of the Company is hereby requested for promotion of Mr. Masood Alam Mallick from Whole time Director & CEO and appointment as the Managing Director & CEO of the Company for a period of five years with effect from 26<sup>th</sup> August, 2024 to 25<sup>th</sup> August, 2029.

It is further informed to the Board that, Mr. Masood Alam Mallick satisfies all the conditions as set out in Section 196 and Part-I of Schedule V of the Companies Act, 2013, and has given his consent for his appointment and change in designation as the Managing Director of the Company. Mr. Masood Alam Mallick is not disqualified from being appointed as the Managing Director of the Company in terms of Section 164 of the Companies Act, 2013.

Brief Profile of Mr. Masood Alam Mallick, pursuant to para 1.2.5 of SS-2 is provided in the table below

Name of the Director	Mr. Masood Alam Mallick		
Father's Name	Late Dr. Mahmood Alam		
Date of Birth	15 <sup>th</sup> August, 1974		
Age	50 Years		
Date of First Appointment	29 <sup>th</sup> December, 2018		
Experience and expertise in specific functional areas	Around 30 years of experience Environmental Services and commercial aspects of business		
Qualification	Masters Degree in Civil Engineering from the USA		
Directorship held in other companies including foreign Companies	<b>S. No.</b>	<b>Name of the entity</b>	<b>Designation</b>
	1.	Re Sustainability Middle East FZ-LLC (Formerly known as Ramky Enviro Engineers Middle East FZ-LLC)	Director
	2.	Ramky-Al-Turki Environmental Services Company Limited	Director
	3.	FARZ LLC	Director
<del>Chairman</del> member of the committee of the Board of Directors of the Company	1. Executive Board Committee 2. Risk Management Committee 3.Environment, Social & Governance Committee		

Chairman/member of the committee of the Board of Directors of other companies in which he is a director	No
Number of shares held in the Company	NIL
Number of Board Meeting attended during the year (FY 24-25)	1
Relationship with other Directors, Manager, and KMPs	Not related
Terms and conditions of reappointment along with details of remuneration sought to be paid	As approved by the Nomination and Remuneration of the Company

None of the directors, key managerial personnel except Mr. Masood Alam Mallick or their relatives are in any way concerned or interested, financial or otherwise in the resolutions. The Directors, therefore, recommend passing of the resolution as an Ordinary Resolution set out in the accompanying Notice.

### Item No. 3

The Shareholders are informed that as per the terms of the employee stock options (“ESOPs”) granted under the 2019 Share Option Plan for Key Employees of Re Sustainability Limited and its Subsidiaries (“Plan-I”), employees whose employment with the Company terminated were required to exercise these options within an outer date as specified in their respective Share Options Agreements. Considering that the exercise of these options would entail payment of large sums and that funds would be unavailable with such ex-employees, the Company proposes to extend the exercise period for exercise of vested options by such ex-employees, including for employees whose services had been terminated prior to the date of this amendment.

The Shareholders may note that the NRC, Board and shareholders on March 27, 2022, April 22, 2022, and September 30, 2022, respectively, had approved the extension in the time periods for exercise of vested options from 6 months post termination to 1 year post termination.

It is now proposed that the exercise period be further revised as summarised in the table set out below.

Clause no.	Existing Clause	Proposed Clause	Remarks
3.3(iv)	<b>First (1<sup>st</sup>)</b> anniversary after the date of Participant’s <b>voluntary resignation</b> without Good Reason (except due to Participant’s death or Disability) if such resignation occurs after (A) April 1, 2021 for the Options granted on May 2, 2019; and (B) for other Options, the 2nd (second) anniversary of the Grant Date, irrespective of the type of Options held by such Participant;	<b>Fifth (5<sup>th</sup>)</b> anniversary after the date of Participant’s voluntary resignation without Good Reason (except due to Participant’s death or Disability) if such resignation occurs after (A) April 1, 2021, for the Options granted on May 2, 2019; and (B) for other Options, the 2nd (second) anniversary of the Grant Date, irrespective of the type of Options held by such Participant;	Extension of the exercise period is proposed from 1 year to 5 years post termination in the case of (A)

3.3(v)	<b>First (1st)</b> anniversary after the date of (a) the <b>Service Recipient's termination of Participant's employment without Cause</b> (except due to death or Disability); or (b) Participant's voluntary resignation for Good Reason;	<b>Fifth (5<sup>th</sup>)</b> anniversary after the date of (a) the Service Recipient's termination of Participant's employment without Cause (except due to death or Disability); or (b) Participant's voluntary resignation for Good Reason;	Extension of the exercise period is proposed from 1 year to 5 years post termination
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**The effective date of the proposed changes**, as set out above, shall be 1<sup>st</sup> April, 2021, and the above revised terms shall be applicable to the ESOPs that have already been granted under the Plan – I.

Further, as per the Vesting Schedule under Clause 3.1.2 of the ESOP Agreements, for each of the fiscal years, the Performance Based Options were to vest in the following manner:-

- i. if the Company's actual PBT for respective fiscal year was equal to, or exceeded, the applicable PBT target for such fiscal year (each an "Annual PBT Performance Target"), then the Performance Option shall have vested, and thereby become exercisable, with respect to twenty percent (20%) of the Shares subject thereto, on the applicable Determination Date for such fiscal year;
- ii. if the Annual PBT Performance Target was not achieved in respect of a particular fiscal year (a "Missed PBT Year"), then the Shares which failed to so vest due to missed PBT targets, would vest, and thereby become exercisable, on the applicable Determination Date for such Subsequent PBT Year(s), if the Committee determines that the cumulative Annual PBT Performance Target (the "Cumulative Annual PBT Performance Target") has been achieved or exceeded on a cumulative basis for the 2 (two) fiscal years immediately following the Missed PBT Year;
- iii. if the Committee determines in good faith that the Shares subject to such Performance Option should not become vested because the Annual PBT Performance Target or Cumulative Annual PBT Performance Target, as applicable, was not achieved, the Shares subject to such Performance Option shall not vest and shall be automatically forfeited upon the Determination Date.

"PBT" shall mean profit before tax as shown in the consolidated profit & loss account of the Company for the respective fiscal year, after removing the following:

- (i) any non-recurring extraordinary income or expense; and
- (ii) any cost relating to the employee stock options plans (including the Plan I) adopted by the Company.

"Determination Date" shall mean the date on which the Committee determines whether or not the applicable Annual PBT Performance Target for a fiscal year has been achieved.

Whilst the Annual PBT Performance Target has not been achieved by the Company for the fiscal years 2019-2024. However, considering the improved performance of the Company year on year and the contribution of the employees who were granted performance based options and who were employed with the Company for at least 2 (years) following the grant of such performance based ESOPs ("**Eligible Employees**"), based on the recommendation of the NRC and the Board, the Shareholders are requested to consider and approve a proposal to vest 40% of the granted performance-based options for the Eligible Employees. For Eligible Employees who no longer continue to be employed as on date, the number of performance-based ESOPs that would vest in them would be pro-rated for the period during which they were in employment subject to a minimum of 2 (years) following grant of performance-based ESOPs. This will also require a change to the Share Options Agreements to enable the NRC to relax any vesting condition associated with any performance-based option and permit its vesting, in its sole discretion.

The directors, managers, key managerial personnel of the Company and their respective relatives do not have any interest, financial or otherwise, in the proposed resolution, except to the extent to the ESOPs granted by the Company. The Directors, therefore, recommend passing of the resolution as a Special Resolution set out in the accompanying Notice.

For and on behalf of the Board

**Re Sustainability Limited**



**Govind Singh**

Company Secretary

Membership No: F12380

Place: Hyderabad

Date: 26<sup>th</sup> Aug, 2024