

[Date]

[Name and address]

Dear Sir,

Sub : Appointment as Independent Director

Ref : Your confirmation letter dated

We, Sify Technologies Limited (“**the Company**”), thank you for your letter dated [.] confirming that you meet the “independence” criteria as envisaged in Section 149 (6) of the Companies Act, 2013 and also conveying your consent to hold the office as a Director of the Company.

Pursuant to your confirmation and on recommendation of the Nomination and Remuneration Committee, we are pleased to inform that the Board of Directors and the shareholders of the Company have approved your appointment as an Independent Director on the Board of the Company for a term of five consecutive years from the conclusion of the Eighteenth Annual General Meeting of the Company.

This letter sets out the terms of your appointment as an Independent Director. Your relationship with the Company will be that of an office-holder and not one of contract for employment in the Company.

The terms of your appointment / re-appointment are subject to the provisions of the Companies Act, 2013 and Articles of Association of the Company including amendments therein and new enactments made applicable, from time to time.

Term:

Subject to provisions of this letter, your appointment will be for a term of five consecutive years from [.]. As per existing provisions of the Companies Act, 2013, your re-appointment will be subject to recommendation of the Nomination and Remuneration Committee, approval of members by Special Resolution, your continued compliance with the independence criteria and performance evaluation process to be undertaken by the Board.

As an Independent Director, you are not liable to retire by rotation.

Committees:

You will continue to be the Chairman / Member of the following committees and a summary of role of the respective committees is enclosed to this letter as Annexure 1:

1. Audit Committee
2. Compensation Committee
3. Nomination & Remuneration Committee
4. Corporate Social Responsibility Committee

The Board is empowered to reconstitute the Committees, amend the scope of the Committees, set up new Committees in compliance with the statutory amendments that may be applicable from time to time. However, any change shall be communicated to you in

advance and your appointment as member of any new Committee shall be subject to your consent.

Role, duties and responsibilities:

Besides other enactments, various provisions in the Companies Act, 2013 specifically deals with the Role, duties and responsibilities of Independent Directors. Schedule IV of the Companies Act, 2013 envisages “**Code for Independent Directors**”. For your ready reference, the extract copy of relevant provisions of the Companies Act, 2013 are attached to this letter. As an Independent Director, you are required to be in continuous compliance with all the applicable laws.

We are sure that you will guide the Company and its Management in the area of your expertise on continuous basis.

Independent Directors have the same general legal responsibilities to the Company as that of any other Director. The Board, as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company’s affairs.

Time commitment:

You agree to devote such time as is prudent and necessary for the performance of your role, duties and responsibilities in the Company.

Fees:

You agree to render your services without any remuneration from the Company. However, you are eligible for the sitting fees as given below:

Sitting fee:

1. For attending the meeting of the Board of Directors: Rs.50,000/- per meeting.
2. For attending the meeting of any Committees: Rs.20,000/- per meeting
3. No Sitting Fee is payable for CSR Committee Meeting as it is a honorary position.

Travel and accommodation:

In addition to the sitting fee as mentioned above, the Company shall pay / reimburse to you such fare and reasonable expenditure, for travel, hotel and other incidental expenses, as may be incurred by you for attending the Board / Committee Meetings.

Insurance:

The Company has taken the Directors’ and Officers’ Liability Insurance Policy and the Company will continue to maintain such cover for the full term of your appointment. A copy of the policy will be supplied on request.

Code of conduct:

1. You agree to comply with / abide by the Company’s Code of Ethics and Business Principles to the extent applicable as set out in Company’s website under Code of Conduct Section (Please read: [Code of conduct for the Board of Directors and Senior Management](#). Or <http://corporate.sify.com/code-of-conduct.html>).

2. You agree to comply with / abide by the guidelines of professional conduct, role, function and duties as an Independent Directors provided in Schedule IV of the Companies Act, 2013, as attached to this letter. **(Annexure 2)**
3. You agree that you will not hold office as a Director or any other office in a competing Firm / entity.
4. You agree that
 - (a) You will always act in the interest of the Company and ensure that any other business or personal association, which you may have, does not involve any conflict of interest with the operations of the Company and your role therein.
 - (b) You will comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to you in your individual capacity.
 - (c) You will safeguard the confidentiality of all information received by you by virtue of your position.
5. You agree that unless specifically authorised by the Company, you shall not disclose Company and business information to the media, financial community, employees, shareholders, agents, franchisees, business partners, customers, government bodies etc.
6. Your obligation of confidentiality shall survive termination or cessation of your Directorship with the Company.

All Directors are required to sign a confirmation of acceptance of the code of conduct on annual basis.

Induction:

Immediately after your appointment, you, if required, will be invited to attend an induction session. You will be entitled to the benefit of a training program to familiarize yourself with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates, its goals and expectations and long term plans and objectives. You may please avail yourself of the said opportunity as fully as is appropriate to your personal circumstances.

Performance appraisal and Evaluation

As a member of the Board, your performance as well as the performance of the entire Board and its committees shall be evaluated annually. Evaluation of each Director shall be done by the Nomination & Remuneration Committee. The criteria for the evaluation shall be determined by the said Committee and disclose in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committees.

Independent Professional Advice

There may be occasions when the Company may seek your professional advice in furtherance of objects of the Company. You are entitled for a professional fee for the special services you

render in your professional capacity and such fee shall not be treated as remuneration as defined under the Companies Act, 2013.

Disclosure of Interest

The Company is required to include in its Annual Financials a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed not later than when the transaction or arrangement comes up at a Board meeting so that your interest may appropriately be entered in the Minutes and our records are updated. For this purpose, you are required to give a General Notice disclosing your interest in other firms, Companies, entities every year.

Conflict of Interest

It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment or re-appointment.

In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to both the Chairman and the Secretary.

Changes of personal details:

During the term, you shall promptly intimate the Company Secretary and Registrar of companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

Termination:

1. Your Directorship on the Board of the Company shall terminate or cease in accordance with the law or provisions of code of conduct of the Company.
2. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board.
3. If at any stage during the term, there is a change that may affect your status as an Independent Director as envisaged in section 149 (6) of the Companies Act, 2013 or in the listing rules of NASDAQ / SEC or any such other laws applicable from time to time.

Cooperation:

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your term, you agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonable requested by the Company or its counsel.

Governing Law:

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian Courts.

Miscellaneous

This letter represents the entire understanding, and constitutes the whole agreement in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.

No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.

Acceptance of the appointment:

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an integral part of the growth of the Company. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours sincerely
For Sify Technologies Limited

Raju Vegesna
Chairman & Managing Director

Agree and accept

I have read and understood these terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.

Name**Date:**

SIFY TECHNOLOGIES LIMITED

Role of Audit Committee:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the external auditor and the fixation of audit fees.
3. Approval of payment to external auditors for any other services rendered by the external auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Disclosure of any related party transactions;
 - f) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, external and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.

9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with external auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. Reviewing the Company's financial and risk management policies.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. The Audit Committee must periodically review the existence and functioning of Whistle blower mechanism.

Role of Nomination & Remuneration Committee:

1. The committee to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
2. The Committee to ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets performance benchmarks, and involves a balance between fixed and incentive pay.
3. The Committee to identify persons who may be appointed in senior management in accordance with the criteria laid down.
4. The Committee to carry out evaluation of every director's performance and recommend to the board his/her appointment and removal based on the performance.
5. Such other matters as the Board may from time to time request the Nomination & Remuneration Committee to examine and recommend / approve.

Role of Corporate Social Responsibility Committee:

1. The committee to formulate and recommend to the board, a CSR policy, which will indicate the activities to be undertaken by the Company as well as the amount of expenditure to be incurred on the activities referred to in the CSR policy.
2. The committee to monitor CSR policy from time to time.
3. The committee to prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes / activities proposed to be undertaken by the Company.

4. doing such other acts, deeds, things and matters as are necessary or expedient in complying with the provisions of Sec 135 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Provisions relating to Independent Directors under Companies Act, 2013

Sec 149 (6): Company to have Board of Directors

An Independent Director in relation to a Company, means a Director other than a Managing Director or a Whole-Time Director or a Nominee Director,

(a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

(b) (i) who is or was not a promoter of the Company or its holding, subsidiary or associate Company;

(ii) who is not related to promoters or directors in the Company, its holding, subsidiary or associate Company;

(c) who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

(d) none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

(e) who, neither himself nor any of his relatives—

(i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or

(B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent. or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent. or more of the total voting power of the Company; or

(iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent. or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two per cent. or more of the total voting power of the Company; or

(f) who possesses such other qualifications as may be prescribed.

Sec 149 (8): Company to have Board of Directors

The Company and Independent Directors shall abide by the provisions specified in Schedule IV.

Sec 149 (12): Company to have Board of Directors

Notwithstanding anything contained in this Act,—

(i) an Independent Director;

(ii) a Non-executive Director not being Promoter or Key Managerial Personnel, shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

Section 166: Duties of Directors

1. Subject to the provisions of this Act, a director of a Company shall act in accordance with the articles of the Company.
2. A director of a Company shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
3. A director of a Company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
4. A director of a Company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
5. A director of a Company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.
6. A director of a Company shall not assign his office and any assignment so made shall be void.
7. If a director of the Company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

Sec 188(5): Related Party Transactions

Any director or any other employee of a Company, who had entered into or authorised the contract or arrangement in violation of the provisions of this section shall,—

(i) in case of listed Company, be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees, or with both; and

(ii) in case of any other Company, be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees.

SCHEDULE IV

[Sec. 149 (8)]

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by Independent Directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of Independent Directors.

I. Guidelines of professional conduct:

An Independent Director shall:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibilities in a *bona fide* manner in the interest of the Company;
4. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6. not abuse his position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
7. refrain from any action that would lead to loss of his independence;
8. where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
9. assist the Company in implementing the best corporate governance practices.

II. Role and functions:

The Independent Directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

The Independent Directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the Company;
- (6) where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;

(7) keep themselves well informed about the Company and the external environment in which it operates;

(8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

(9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;

(10) ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;

(11) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;

(12) acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;

(13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. Manner of appointment:

(1) Appointment process of Independent Directors shall be independent of the Company management; while selecting Independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

(2) The appointment of Independent Director(s) of the Company shall be approved at the meeting of the shareholders.

(3) The explanatory statement attached to the notice of the meeting for approving the appointment of Independent Director shall include a statement that in the opinion of the Board, the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

(4) The appointment of Independent Directors shall be formalised through a letter of appointment, which shall set out:

(a) the term of appointment;

(b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;

(c) the fiduciary duties that come with such an appointment along with accompanying liabilities;

(d) provision for Directors and Officers (D and O) insurance, if any;

(e) the Code of Business Ethics that the Company expects its directors and employees to follow;

(f) the list of actions that a director should not do while functioning as such in the Company; and

(g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

(5) The terms and conditions of appointment of Independent Directors shall be open for inspection at the registered office of the Company by any member during normal business hours.

(6) The terms and conditions of appointment of Independent Directors shall also be posted on the Company's website.

V. Re-appointment:

The re-appointment of Independent Director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

(1) The resignation or removal of an Independent Director shall be in the same manner as is provided in sections 168 and 169 of the Act.

(2) An Independent Director who resigns or is removed from the Board of the Company shall be replaced by a new Independent Director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.

(3) Where the Company fulfils the requirement of Independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new Independent Director shall not apply.

VII. Separate meetings:

(1) The Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-Independent Directors and members of management;

(2) All the Independent Directors of the Company shall strive to be present at such meeting;

(3) The meeting shall:

- (a) review the performance of non-Independent Directors and the Board as a whole;
- (b) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- (c) assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

- (1) The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.