



**SIFY TECHNOLOGIES LIMITED
(CIN: U72200TN1995PLC050809)**

**SIFY TECHNOLOGIES LIMITED
REMUNERATION POLICY**

1. BACKGROUND:

This Remuneration Policy ("Policy") is formulated in accordance with the provisions of Section 178 of the Companies Act, 2013 ("Act") and applicable corporate governance requirements, including Nasdaq Listing Rules and SEC Regulations, as applicable.

This Policy will be placed before the members of Compensation / Nomination and Remuneration Committee ("Committee / NRC") of M/s. Sify Technologies Limited ("the Company") for their review / recommendation and for further approval by the Board of Directors ("Board") of the company.

2. OBJECTIVE:

The objective of this Policy is to:

- Ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain, and motivate Directors, Key Managerial Personnel ("KMP"), and Senior Management;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- Ensure compliance with applicable statutory and regulatory requirements.

3. PRINCIPLES OF REMUNERATION:

The remuneration framework shall be guided by the following principles:

- Pay for performance
- Alignment with long-term shareholder value
- Competitive benchmarking with industry standards
- Balance between fixed and variable pay
- Compliance with applicable laws and governance standards

4. REMUNERATION – EXECUTIVE DIRECTORS:

4.1 The compensation paid to the executive directors will be within the scale approved by the shareholders. The elements of the total compensation, approved by NRC will be within the overall limits specified under the Act.

4.2 The elements of compensation of the executive director include the elements as described in paragraph 6 below.

4.3 The NRC will determine the annual variable pay compensation in the form of annual incentive and annual increment for the executive director based on Company's and individual's performance as against the pre-agreed objectives for the year.

4.4 The executive directors, except promoter director/ directors, will also be eligible for ESOPs as per the ESOP scheme in force from time to time. Grants under ESOP scheme shall be approved by the NRC.

4.5 In case of inadequacy of profits in any financial year, the remuneration payable to the executive director shall be further subject to the relevant provisions of the Act.



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4.6 Executive directors will not be paid sitting fees for any Board / Committee meetings attended by them.

4.7 The remuneration payable by the Company to the executive directors shall be subject to the conditions specified in the Act including the Nasdaq Listing Rules and SEC Regulations, as applicable in terms of monetary limits, approval requirements, and disclosure requirements.

5. REMUNERATION – NON-EXECUTIVE AND INDEPENDENT DIRECTORS:

5.1 Non-Executive Directors (“NEDs”), who are Independent Directors (“IDs”) are paid remuneration by way of sitting fees.

5.2 The sitting fee payable to NEDs who are IDs for attending the Board meetings is fixed subject to the statutory ceiling. The fee is reviewed periodically.

5.3 Based on the overall performance of the Company, the Company will pay commission up to “1% of the net profits” of the Company, subject to approval of the Board and shareholders of the Company in terms of the provisions of the Act read with Rules.

5.4 Keeping with evolving trends in industries and considering the time and efforts spent by specific non-executive directors, the practice of paying differential commission / remuneration will be considered by the Board.

5.5 The remuneration / commission / compensation to NEDs will be determined by the Committee and recommended to the Board for its approval.

5.6 NEDs will not be eligible to receive stock options under the existing employee stock option scheme(s) (“ESOP”) of the Company.

5.7 NEDs are entitled to be paid all travelling and other expenses they incur for attending to the Company’s affairs, including attending meetings of the Company.

6. REMUNERATION TO KEY MANAGERIAL PERSONNEL / SENIOR MANAGEMENT AND OTHER EMPLOYEES:

6.1. The Company’s total compensation for Key Managerial Personnel / Senior Management / other employees will consist of:

- fixed compensation
- variable compensation in the form of annual incentive
- benefits
- work related facilities and perquisites.

6.2. In addition, select senior executives will be eligible for long-term incentive plan in the form of ESOPs, as per the ESOP scheme in force from time to time. Grants under the ESOP scheme will be approved by NRC.

6.3. Fixed compensation will be determined on the basis of size and scope of the job typically as reflected by the level or grade of the job, trends in the market value of the job and the skills, experience, and performance of the employee. Fixed compensation will include basic salary, housing allowance, and contribution to provident fund and gratuity.

6.4. The annual incentive (variable pay) of executives will be linked directly to the performance of the Company.

6.5. Based on the grade and seniority of employees, benefits for employees include:



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- Health-Related
- Health (hospitalization) insurance
- Accident and life insurance

6.6. Employees will also be eligible for work related facilities and perquisites as may be determined through human resources policies issued from time to time based on the grade of the employee.

6.7. A formal annual performance management process will be applicable to all employees, including senior executives. Annual increment in fixed and variable compensation of individual executives will be linked to the performance ratings of individual employee.

- Overall compensation shall be subject to periodic reviews which considers data from compensation surveys conducted by specialist firms, as well as factors such as affordability based on the Company's performance and the economic environment.
- Employees may be eligible for ESOPs as per the ESOP scheme approved by the shareholders and in force from time to time. The objective of ESOP is to reward the Eligible Employees (as per the ESOP scheme), for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Company.
- Employees may be eligible for severance payments in accordance with the termination clause in their employment agreement subject to applicable regulatory requirements.

7. CLAWBACK POLICY:

The Company has adopted clawback policy to comply with Section 10D of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Rule 10D-1 promulgated under the Exchange Act to recover incentive-based compensation in the event of an Accounting Restatement due to:

- Material non-compliance with any financial reporting requirement under the securities laws
- Any accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements
- Other circumstances as prescribed in the clawback policy

The Committee shall oversee implementation of the clawback policy in line with applicable Regulations.

8. COMPLIANCE AND GOVERNANCE:

This Policy shall:

- Comply with the Companies Act, 2013 and applicable Rules, including Nasdaq Listing Rules and SEC Regulations
- Be aligned with the Company's NRC Charter and governance framework
- Be disclosed as required under applicable laws.

9. REVIEW OF POLICY:

- The Committee shall review this Policy periodically
- Any amendments shall be recommended to the Board for approval
