



COMPENSATION COMMITTEE CHARTER OF AZURE POWER GLOBAL LIMITED

I. Purpose

The purpose of the Compensation Committee (the “Committee”) of the Board is to assist the Board in discharging the Board’s responsibilities relating to compensation of the executives of the Company and its subsidiaries (the “Group”), including by designing (in consultation with management or the Board), recommending to the Board for approval and/or evaluating the compensation plans, policies and programs of the Group. The Committee shall ensure that compensation programs are designed to encourage high performance, promote accountability and assure that employee interests are aligned with the interests of the Company’s shareholders.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company’s Constitution, as amended from time to time (the “Constitution”) and applicable laws. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without the requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee’s sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

II. Membership

The Committee shall be comprised of two or more directors, each of whom, in the determination of the Board, (a) shall satisfy the independence requirements of the New York Stock Exchange (the “NYSE”); (b) shall qualify as a “non-employee director” within the meaning of Rule 16b-3 of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”); and (c) shall qualify as an “outside director” under the regulations promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”).

The members of the Committee, including the Chair of the Committee (the “Chair”), shall be appointed by the Board. Committee members may be removed from the Committee, with or without cause, by the Board. Any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein. If at any time and for so long as the Committee has fewer than two (2) members, then all of the duties and responsibilities of the Committee set forth in this Charter shall be exercised by the directors of the Board that are independent (within the meaning of Section 303A.02(a)(ii) of the NYSE rules).

III. Meetings and Procedures

The Committee should meet as often as it determines advisable to fulfill its duties and responsibilities, but in no event less than twice per financial year. Meetings of the Committee may be called by the Chair upon

notice given at least twenty-four hours prior to the meeting, or upon such shorter notice as shall be approved by the Committee. The Chair (or in his or her absence, a member designated by the Committee members present at such meeting) shall preside at each Committee meeting. The Chair shall designate a secretary for each meeting who shall record minutes of all formal actions of the Committee. A majority of the Committee members, present in person or by phone, shall constitute a quorum. A majority of the members present shall decide any questions brought before the Committee, except to the extent otherwise required by the Company's certificate of incorporation or bylaws (each as in effect from time to time). Notwithstanding the foregoing, in the event the Committee consists of only two members, both members must be present, in person or by phone, to constitute a quorum, and any questions brought before the Committee must be decided by unanimous vote. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Constitution that are applicable to the Committee. Meetings of the Committee may be held by conference call. Unless otherwise restricted by the Constitution, any action required or permitted to be taken at any meeting of the Committee may be taken without a meeting if all members of the Committee consent thereto in writing, and such writing is filed with the minutes of the Committee.

All non-management directors who are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee, in its sole discretion, may include in its meetings members of the Company's management, representatives of the independent auditor, the internal auditor, any other financial personnel employed or retained by the Group or any other person whose presence the Committee believes to be necessary or appropriate. Notwithstanding the foregoing, the Group Chief Executive Officer (the "CEO") may not be present during voting or deliberations concerning his or her compensation, and the Committee may exclude from its meetings any person it deems appropriate, including but not limited to, any non-management director who is not a member of the Committee.

The Committee may retain and/or replace, as needed, any compensation and benefits consultants, independent counsel or other outside experts, advisors or consultants as the Committee believes to be necessary or appropriate. The Committee may also utilize the services of the Group's regular legal counsel or other advisors to the Group. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such persons retained by the Committee.

The Committee shall keep regular minutes of any meetings where actions are taken (unless such actions are taken and reported to the Committee's satisfaction in the minutes of the Board meetings). Any such minutes kept by the Committee shall be distributed to each member of the Committee and other members of the Board. The Secretary of the Company shall maintain the original signed minutes for filing with the corporate records of the Company. The Chair shall report to the Board regarding the activities of the Committee at appropriate times and as otherwise requested by the Chairman of the Board.

IV. Responsibilities and Duties

- 1 The Committee shall, at least annually, review the compensation plans, policies and programs adopted by the Group.
- 2 The Committee shall obtain information on market trends in executive compensation and shall review the competitiveness of the Group's executive compensation programs to ensure (a) the attraction and retention of executives; (b) the motivation of executives to achieve the Group's business objectives;

and (c) the alignment of the interests of executives with the long-term interests of the Company's shareholders.

- 3 The Committee shall, at least annually, review and approve the corporate goals and objectives relating to the compensation of the CEO, other executive officers and directors of the Group, evaluate the performance of the CEO, other executive officers and directors of the Group in light of those goals and objectives, and either on its own or together with the other independent directors on the Board (as directed by the Board) determine and approve the compensation of the CEO, other executive officers and directors of the Group based on such evaluation.
- 4 The Committee shall periodically and as and when appropriate review and approve the following as they affect the CEO, other executive officers and directors of the Group: (a) any employment agreements and severance arrangements; (b) any change-in-control agreements and change-in-control provisions affecting any elements of compensation and benefits; and (c) any special or supplemental compensation and benefits for the CEO, executive officers and directors and individuals who formerly served as the CEO, an executive officer or a director, including supplemental retirement benefits and the perquisites provided to them during and after employment.
- 5 The Company's management shall determine the compensation of all other officers and employees of the Group. The Committee shall have the right to review the compensation plans, policies and programs of such employees and recommend any proposed changes to the management.
- 6 The Committee shall manage and periodically review all annual bonus, long-term incentive compensation, share option or other equity incentive, employee pension, welfare benefit and retirement benefit plans, and with respect to each plan shall have responsibility for:
 - (i) general administration;
 - (ii) setting performance targets under all annual bonus and long-term incentive compensation plans as appropriate;
 - (iii) certifying that any and all performance targets used for any performance based equity compensation plans have been met before payment of any executive bonus or compensation or exercise of any executive award granted under any such plan(s) to the CEO;
 - (iv) approving all amendments to, and terminations of, all compensation plans and any awards under such plans;
 - (v) granting any awards under any performance-based annual bonus, long-term incentive compensation and equity compensation plans to the executive officers or current employees with the potential to become the CEO or an executive officer, including share options and other equity rights (*e.g.*, restricted shares or share purchase rights);
 - (vi) approving which executives are entitled to awards under the Company's share option plan(s); and
 - (vii) re-purchasing securities from terminated employees.

All plan reviews should include reviewing the plan's administrative costs, reviewing current plan features relative to any proposed new features, and assessing the performance of the plan's internal and external administrators if any duties have been delegated.

- 7 The Committee shall establish and periodically review policies concerning perquisite benefits.
- 8 The Committee shall periodically review the need for a Company policy regarding compensation paid to the Group's executive officers in excess of limits deductible under Section 162(m) of the Code, which provides that "in the case of any publicly held corporation, no deduction shall be allowed under this chapter for applicable employee remuneration with respect to any covered employee to the extent that the amount of such remuneration for the taxable year with respect to such employee exceeds \$1,000,000";
- 9 The Committee shall determine the Group's policy with respect to change of control or "parachute" payments. The term "parachute payment" means any payment in the nature of compensation to (or for the benefit of) a disqualified individual if:
 - (i) such payment is contingent on a change—
 - in the ownership or effective control of the corporation, or
 - in the ownership of a substantial portion of the assets of the corporation, and
 - (ii) the aggregate present value of the payments in the nature of compensation to (or for the benefit of) such individual which are contingent on such change equals or exceeds an amount equal to three times the base amount.
- 10 The Committee shall review and approve executive officer and director indemnification and insurance matters.
- 11 The Committee shall monitor the Company's compliance with the requirements under the Exchange Act, which generally prohibit the Company from extending loans to its directors and officers except in certain specified circumstances, and the Company's compliance with all other applicable laws affecting employee compensation and benefits.
- 12 The Committee shall have generalized supervisory responsibility for the compensation policies applicable to all employees of the Group, including periodic reviews of the adequacy of the Group's compensation structure, performance review procedures, employee turn-over and retention, succession plans and other human resource issues. The Committee shall receive periodic reports on the Group's compensation programs as they affect all employees.
- 13 The Committee shall review and approve the executive compensation section included in the Company's annual report on Form 20-F.
- 14 The Committee shall evaluate its own performance on an annual basis, including its compliance with this Charter, and provide any written material with respect to such evaluation to the Board, including any recommendations for changes in procedures or policies governing the Committee. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.
- 15 The Committee shall review and reassess this Charter at least annually and submit any recommended changes to the Board for its consideration.
- 16 In performing its duties, the Compensation Committee shall have the authority to retain and/or replace, hire, and obtain advice, reports or opinions from a compensation consultant, legal counsel or other adviser.

- 17 Direct responsibility for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser it retains.
- 18 The compensation committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the compensation committee, other than in-house legal counsel, only after taking into consideration the following factors:
- the provision of other services to the company by the person that employs the compensation consultant, legal counsel or other adviser;
 - the amount of fees received from the company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
 - the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
 - any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the compensation committee;
 - any stock of the company owned by the compensation consultant, legal counsel or other adviser; and
 - any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the company.

V. Delegation of Duties

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee to the extent permitted by or consistent with provisions of the Constitution and applicable laws and regulations and rules of the markets in which the Company's securities then trade.
