



# AZURE POWER GLOBAL LIMITED

## INSIDER TRADING POLICY

**Under U.S. securities laws and the Code of Business Conduct and Ethics, all directors, officers, employees and consultants of Azure Power Global Limited (together with its consolidated subsidiaries, the “Company” or “Azure Power”) are prohibited from trading in Azure Power or any company securities when they are aware of material, nonpublic information.**

“Insider trading” refers to the purchase or sale of a security while in possession of “material” and “non-public” information relating to the security.

- “Securities” include not only stocks, bonds, notes and debentures, but also options, warrants and similar instruments. “Purchase” and “sale” are defined broadly under the federal securities law.
- “Purchase” includes not only the actual purchase of a security, but any contract to purchase or otherwise acquire a security. “Sale” includes not only the actual sale of a security, but any contract to sell or otherwise dispose of a security. For purposes of this Policy, the terms “purchase” and “sell” of securities exclude the acceptance of options and the exercise of options that does not involve the sale of securities. Among other things, the cashless exercise of options does involve the sale of securities and therefore is subject to this Policy.

These definitions extend to a broad range of transactions. It is generally understood that insider trading includes the following:

- Trading by insiders while in possession of material, non-public information;
- Trading by persons other than insiders while in possession of material, non- public information where the information either was given in breach of an insider’s fiduciary duty to keep it confidential or was misappropriated; or
- Communicating or tipping material, non-public information to others, including recommending the purchase or sale of a security while in possession of such information.

### **Who is an insider?**

“Insiders” include officers, directors, employees and consultants of the Company and anyone else who has material inside information about the Company. Insiders have independent fiduciary duties to the Company and its stockholders not to trade on material, non-public information relating to the Company’s securities. All officers, directors, employees and consultants of the Company should consider themselves insiders with respect to material, non-public information about the Company’s business, activities and securities. Transactions in Azure Power securities conducted by spouses, children, stepchildren and other family members of the foregoing persons who share such person’s household will be attributable to those persons for the purposes of this Policy. In addition, any corporations, partnerships, trusts or other entities controlled by any such persons are covered by this Policy, unless the entity has implemented policies or procedures designed to ensure that such person cannot influence transactions by the entity involving Azure Power securities.

If any employee, officer, director or consultant of the Company believes that the individual has come into possession of any material, non-public information of the Company, such individual may not execute any

trade in the securities of the Company without first consulting with the Company designated Compliance Officer, Head of Investor Relations, or Chief Financial Officer, who will then determine whether such trade would violate Azure Power's policy/applicable laws.

### **Trading by persons other than insiders**

Insiders may be liable for communicating or tipping material, non-public information to a third party ("tippee"), and insider trading violations are not limited to trading or tipping by insiders. Persons other than insiders also can be liable for insider trading, including tippees who trade on material, non-public information tipped to them or individuals who trade on material, non-public information which has been misappropriated.

Tippees inherit an insider's duties and are liable for trading on material, non-public information illegally tipped to them by an insider. Similarly, just as insiders are liable for the insider trading of their tippees, so are tippees who pass the information along to others who trade. In other words, a tippee's liability for insider trading is no different from that of an insider. Tippees can obtain material, non-public information by receiving overt tips from others or through, among other things, conversations at social, business, or other gatherings.

### **What information is "material" and "non-public"?**

The definition of "material", "non-public" information is broad and whether a piece of information is "material" and/or "non-public" depends upon the circumstances.

As a rule of thumb, any information that could reasonably be expected to affect the decision of a reasonable investor to buy, sell or hold the Company's securities or where the fact is likely to affect the market price of the Company's securities should be considered material. Examples of information that is generally considered "material" may include:

- Financial results or forecasts, or any information that indicates the Company's financial results may exceed or fall short of forecasts or expectations;
- Important new products or services;
- Pending or contemplated acquisitions or dispositions, including mergers, tender offers or joint venture proposals;
- Possible management changes or changes of control;
- Pending or contemplated public or private sales of debt or equity securities;
- Acquisition or loss of a significant customer or contract;
- Significant write-offs; and but not limited to
- Initiation or settlement of significant litigation.

Information is "non-public" if it has not been made generally available to the public by means of a press release or other means of widespread distribution.

In addition, even after a public announcement, a reasonable period of time must lapse in order for the market to react to the information. Generally, one should allow approximately forty-eight (48) hours following publication as a reasonable waiting period before such information is deemed to be public.

### **A good general rule: when in doubt, do not trade.**

If you are faced with a situation where you believe you need advice as to the applicability or effect of the Policy, please contact the Head of Investor Relations or the Vice President Secretarial and Compliance or the Chief Financial Officer, of the Company.

No insider of Azure Power who is subject to a “closed window,” as defined below, may trade in Azure Power securities until such “closed window” is removed.

### **What is a “Closed Window”?**

A “closed window period” refers to the time that an “open window period” is not in effect. Usually, the window is closed for trading because of the normal development during the course of a quarter of information concerning Azure Power’s business performance. However, from time to time, an event at Azure Power may occur that is material and nonpublic. So long as the event remains material and nonpublic, any director, officer, employee or consultant of the Company would be prohibited from trading regardless of whether such director, officer, employee or consultant possess any material, non-public information. These periods of time can occur even when the window might otherwise be open following an earnings release, for example. Azure Power may determine that the window should be closed at the times it deems appropriate, and needs not provide any reason. The failure of Azure Power to close the window will not relieve any person of the obligation not to trade while the individual is aware of material nonpublic information.

### **Restrictions imposed by the Stock Trading Policy**

(a) Trading window. Insiders may not trade in Azure Power’s securities except during a “open window period”. An “open window period” is defined as beginning on the second business day after each of Azure Power’s quarterly earnings releases until the end of the current fiscal quarter. For purpose of clarification, insiders are not allowed to trade in the “open window period” in Azure Power’s securities if they possess material, non-public information.

**Please note that trading in Company securities during the “open window period” is not a “safe harbor,” and all insiders should strictly comply with all the policies set forth in this Policy.**

(b) Preclearance. All directors, officers and key employees of the Company must obtain written pre-clearance from the Chief Financial Officer, Head of Investor Relations or the Vice President Secretarial and Compliance of Azure Power, for all transactions covered by this Policy and for gifts and option exercises. A request for pre-clearance should be submitted in writing at least one day in advance of the proposed transaction. This restriction has been implemented to avoid even the appearance of insider trading.

(c) Notification of Trading. All directors, officers and key employees of the Company must provide written notice to the Vice President Secretarial and Compliance, Head of Investor Relations or the Chief Financial Officer of the Company of any completed transaction covered by this Policy within one business day of completing the transaction.

### **Can I ever transact in Azure Power’s securities when I am aware of material, nonpublic information?**

No exceptions, including personal emergencies, are permitted. The U.S. securities laws do not recognize mitigating circumstances such as the need to raise cash for an emergency. Even the appearance of an improper transaction should be avoided to preserve the reputation of Azure Power and its employees for integrity and the highest standards of business and ethical conduct.

### **What if I am no longer employed or associated with Azure Power?**

This policy continues to apply to transactions even after the director, officer, employee or consultant relationship with Azure Power has ended. If the individual is aware of material nonpublic information when the relationship terminates, he or she must not trade in Azure Power securities until that information has become public or is no longer material.

### **Can I enter into a trading plan?**

Any insider who wishes to implement a 10b5-1 trading plan (the “10b5-1 Plan”) must first pre-clear the plan with the Vice President Secretarial and Compliance or Head of Investor Relations or Chief Financial Officer of the Company. The 10b5-1 Plan must meet all the requirements of the affirmative defense provided by Rule 10b5-1 promulgated under the Securities Exchange Act of 1934, as amended. As required by SEC rules, you may enter into a trading plan only when you are not aware of material nonpublic information. In addition, you may not enter into a 10b5-1 Plan during a “closed window period.” Transactions effected pursuant to a 10b5-1 Plan will not require further pre-clearance at the time of the transaction if the plan specifies the dates, prices, and amounts of the contemplated trades or establishes a formula for determining the dates, prices, and amounts in accordance with SEC rules and the 10b5-1 Plan has not been amended or modified in any respect after the initial pre-clearance without such amendment or modification being pre-cleared in advance, as applicable, pursuant to this section. Any insider must still notify Azure Power of any transaction made pursuant to a 10b5-1 Plan within one day of the completed transaction.

### **Penalties for Engaging in Insider Trading**

Penalties for trading on or tipping material, non-public information can extend significantly beyond any profits made or losses avoided, both for individuals engaging in such unlawful conduct and their employers. The SEC and Department of Justice have made the civil and criminal prosecution of insider trading violations a top priority. Enforcement remedies available to the government or private plaintiffs under the federal securities laws include:

- SEC administrative sanctions;
- Securities industry self-regulatory organization sanctions;
- Civil injunctions;
- Damage awards to private plaintiffs;
- Disgorgement of all profits;
- Civil fines for the violator of up to three times the amount of profit gained or loss avoided;
- Civil fines for the employer or other controlling person of a violator (i.e., where the violator is an employee or other controlled person) of up to the greater of US\$1,000,000 or three times the amount of profit gained or loss avoided by the violator;
- Criminal fines for individual violators of up to US\$5,000,000 (US\$25,000,000 for an entity); and
- Jail sentences of up to 20 years.

In addition, insider trading could result in serious sanctions by the Company, including immediate dismissal. Insider trading violations are not limited to violations of the federal securities laws: other federal and state civil or criminal laws, such as the laws prohibiting mail and wire fraud and the Racketeer Influenced and Corrupt Organizations Act (RICO), also may be violated upon the occurrence of insider trading.