

Suzlon Energy Limited

CODE OF ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT

This Code of Ethics for Directors, including independent directors, Key Managerial Personnel and Senior Management (“**Code**”) shall help maintain the standards of business conduct for Suzlon Energy Limited (“**Company**”). The purpose of this Code is to deter wrongdoing and promote ethical conduct. Ethical business conduct is critical to our business. Accordingly, the following are expected to read and understand this Code, uphold these standards in day-to-day activities, comply with all applicable laws, rules and regulations and all applicable policies adopted by the Company:

- All Directors, including Independent Directors, of the Company (hereinafter collectively referred to as the “**Directors**”);
- Key Managerial Personnel, i.e. the Chief Executive Officer or the managing director or the manager; the company secretary; the whole-time director; the Chief Financial Officer; by whatever name called and such other officer as may be prescribed (hereinafter collectively referred to as the “**KMP**”);
- “Senior management” of the Company shall mean officers / personnel of the Company who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the chief executive officer / managing director / whole time director / manager (including chief executive officer / manager and functional heads, in case they are not part of the Board) and shall specifically include company secretary and chief financial officer, by whatever name called , as may be identified by the Company (hereinafter collectively referred to as the “**Senior Management**”);

(All Directors, KMPs and Senior Management are collectively referred to as the “**Senior Managerial Personnel**” (“**SMPs**”).

All SMPs shall affirm compliance with this Code on an annual basis.

1. **Honest and Ethical Conduct**

All SMPs are expected to act in accordance with the highest standards of personal and professional integrity and maintain honest and ethical conduct while working on the Company’s premises at offsite locations where the Company’s business is being conducted or any other place where the SMPs are representing the Company.

Apart from honest and ethical conduct, the Independent Directors, in particulars, would abide by the Code for Independent Directors as prescribed under the Companies Act, 2013, as amended, and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (the “Listing Regulations”), as amended from time to time (Annexure A).

2. **Conflict of Interest**

Each of us has a responsibility to the Company, our stockholders and each other. Although this duty does not prevent us from engaging in personal transactions and investments, it does demand that we avoid situations where a conflict of interest might occur or appear to occur.

The Company is subject to scrutiny from many different individuals and organisations. We should always strive to avoid even the appearance of impropriety. All SMPs must avoid

situations involving actual or potential conflict of interest. Personal or romantic involvement with a competitor, supplier, or subordinate employee of the Company, which impairs an employee's ability to exercise good judgment on behalf of the Company, creates an actual or potential conflict of interest. Supervisor-subordinate romantic or personal relationships also can lead to supervisory problems, possible claims of sexual harassment, and morale problems.

An SMP involved in any of the types of relationships or situations described in this Code should immediately and fully disclose the relevant circumstances to his or her immediate supervisor, if any, or any other appropriate supervisor, or the Managing Director, for a determination about whether a potential or actual conflict exists. If an actual or potential conflict is determined, the Company may take whatever corrective action appears appropriate according to the circumstances. Failure to disclose facts shall constitute grounds for disciplinary action.

A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company at large. Examples include:

(i) *Employment / Outside Employment*

In consideration of your employment with the Company, you are expected to devote your full attention to the business interests of the Company. You are prohibited from engaging in any activity that interferes with your performance or responsibilities to the Company or is otherwise in conflict with or prejudicial to the Company. Our policies prohibit any employee from accepting simultaneous employment with the Company's supplier, customer, developer or competitor, or any other company with which the Company is in discussions or negotiations or from taking part in any activity that enhances or supports a competitor's position.

Additionally, you must disclose to the Company any interest that you have that may conflict with the business of the Company. If you have any questions on this requirement, please contact the Human Resources Department.

(ii) *Outside Directorships*

A director shall not hold more than such number of directorships and/or be a member / chairperson in more than such number of committees, as may be prescribed under the Act, Rules or the Listing Regulations from time to time. Every director shall inform the Company about the board / committee positions he or she occupies in other listed entities and notify changes as and when they take place.

It is a conflict of interest to serve as a director of any company that competes with the Company. Our policy requires that all personnel (other than Directors) obtain approval from the Managing Director before accepting a directorship. Such approval may be conditioned upon the completion of specified actions. Directors are required to disclose their directorships in other companies to the Board of Directors and the Company Secretary from time to time.

(iii) *Business Interests*

If you are considering investing in a Company which is a customer, supplier, developer or competitor, you must first take great care to ensure that these investments do not compromise your responsibilities to the Company. Many factors should be considered in

determining whether a conflict exists, including the size and nature of the investment; your ability to influence the Company's decisions; your access to confidential information of the Company or of the other company; and the nature of the relationship between the Company and the other company.

Non-executive directors shall disclose their shareholding, held either by them or on a beneficial basis for any other persons in the listed entity in which they are proposed to be appointed as directors, in the notice to the general meeting called for appointment of such director.

SMPs shall make disclosures to the Board of Directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large.

No SMP shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an ordinary resolution. *Provided* that all interested persons involved in the transaction covered under the agreement shall abstain from voting in the general meeting. The term 'interested person' for the purpose of this requirement shall have the meaning assigned to it in Regulation 26(6) of the Listing Regulations. Appropriate disclosures of such agreement(s) shall also be made in compliance with the provisions of the Act, Rules made thereunder and the Listing Regulations.

(iv) *Related Parties*

As a general rule, you should avoid conducting Company business with a relative, or with a business in which a relative is associated in any significant role.

Explanation: For the purposes of above, the term "Relatives" means to include relatives as defined in Section 2(77) of the Companies Act, 2013, i.e. a "relative", with reference to any person, means anyone who is related to another, if (i) they are members of a Hindu Undivided Family; (ii) they are husband and wife; (iii) Father (which term includes step-father); (iv) Mother (which term includes step-mother); (v) Son (which term includes step-son); (vi) Son's wife; (vii) Daughter; (viii) Daughter's husband; (ix) Brother (which term includes step-brother); (x) Sister (which term includes step-sister); or (xi) one person is related to the other in such manner as may be prescribed.

All related party transactions (as defined under the Listing Regulations) with Directors and KMP shall be subject to prior approval of Audit Committee of the Board of Directors of the Company. All related party transactions (as defined under the Act), which are not in ordinary course of business or not at arm's length, would be subject to prior approval of the Board of Directors of the Company. And all material related party transactions would be subject to prior approval of the shareholders of the Company, as per extant Law.

The Company must report all such material related party transactions under applicable accounting rules, SEBI, Indian Companies Act, and securities market rules. Any dealings with a related party must be conducted in such a way that no preferential treatment is given to his business.

Explanation: For the purposes of above, the term “Related Party transactions” means as defined in Section 188 of the Companies Act, 2013 and the Listing Regulations, as amended from time to time and includes the following:

- sale, purchase or supply of any goods or materials;
- selling or otherwise disposing of, or buying, property of any kind;
- leasing of property of any kind;
- availing or rendering of any services;
- appointment of any agent for purchase or sale of goods, materials, services or property;
- such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company;
- underwriting the subscription of any securities or derivatives thereof, of the company; and
- transfer of resources, services or obligations.

Explanation: For the purposes of above, the term “Related Party” means as defined in Section 2(76) of the Companies Act, 2013 and Listing Regulations, as amended from time to time, i.e. “related party”, with reference to a company means:

- (i) a director or his relative;
- (ii) a key managerial personnel or his relative;
- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager or his relative is a member or director;
- (v) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent. of its paid-up share capital;
- (vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act, provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
- (viii) any body corporate which is (A) a holding, subsidiary or an associate company of such company; or (B) a subsidiary of a holding company to which it is also a subsidiary; or (C) an investing company or the venturer of the company (where the investing company or the venturer of a company means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate);
- (ix) such other person as may be prescribed.

Regulation 2(zb) of the Listing Regulations defines a ‘related party’ to mean: a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards. *Provided* that any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity shall be deemed to be a related party. *Provided further* that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s).

It is acknowledged that the requirements of the Act and the Listing Regulations are distinct both in terms of the definitions of related parties and the related party transactions and in terms of the approval and other procedural requirements. The SMPs and the Company shall be subject to comply with the requirements of the Act and/or the Listing Regulations

depending on the transaction under consideration and whether the transaction triggers the requirements under the Act or the Listing Agreement or under the both. You should read and comply with the “Policy On Materiality Of Related Party Transactions and Dealing With Related Party Transactions” (the “RPT Policy”) of the Company carefully, paying particular attention to the specific policies / provisions and the potential criminal and civil liability and / or disciplinary action for the violations.

The Company discourages the employment of relatives in positions or assignments within the same department and prohibits the employment of such individuals in positions that have a financial or other dependence or influence (e.g., an auditing or control relationship, or a supervisor / subordinate relationship).

The purpose of this policy is to prevent the organisational impairment and conflicts that are a likely outcome of the employment of relatives or significant others, especially in a supervisor/subordinate relationship. If a question arises about whether a relationship is covered by this policy, the Human Resources Department is responsible for determining whether an SMP’s acknowledged relationship is covered by this policy and the decision. The Human Resources Department shall advise all affected SMPs of this policy. Wilful withholding of information regarding a prohibited relationship / reporting arrangement will be subject to corrective action, up to and including termination. If a prohibited relationship exists or develops between two SMPs, the SMP in the senior position must bring this to the attention of his / her supervisor / Managing Director.

The Company retains the prerogative to separate the individuals at the earliest possible time, either by reassignment or by termination, if necessary.

(v) *Other Situations*

Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts in your mind you should consult the Legal Department or Human Resources Department. Directors may consult the Chairman of the Board of Directors in case of any such instances. The Chairman may refer the same to the Legal Department or Human Resources Department for clarification.

3. Corporate Opportunities

SMPs may not exploit for their own personal gain opportunities that are discovered through the use of corporate property, information or position unless the opportunity is disclosed fully in writing to the Company’s Board and the Board declines to pursue such opportunity.

4. Insider Trading

Obligations under Indian securities laws apply to everyone as the Company is listed on the Indian stock exchanges. In the normal course of business, SMPs of the Company may come into possession of significant, sensitive information. This information is the property of the Company. You have been entrusted with it. You may not profit from it by buying or selling securities yourself. Further you are not to tip others to enable them to profit or for them to profit on your behalf. The purpose of this Code is both to inform you of your legal responsibilities and to make clear to you that the misuse of sensitive information is contrary to Company policy and applicable Indian securities laws.

Insider trading is a crime, penalised by fines and imprisonment for individuals. In addition, the Securities and Exchange Board of India may seek the imposition of a civil penalty of up to three times the profits made or losses avoided from the trading. Insider traders must also disgorge any profits made, and are often subjected to an injunction against future violations. Finally, insider traders may be subjected to civil liability in private lawsuits.

SEL's Code of Conduct to regulate, monitor and report trading by Insiders (the "Insider Trading Code") is strictly enforced, even in instances when the financial transactions seem small. You should read and comply with the Insider Trading Code carefully, paying particular attention to the specific policies / provisions and the potential criminal and civil liability and / or disciplinary action for insider trading violations. All questions regarding the Insider Trading Code should be directed to the Secretarial Department.

5. Prohibition Against Short Selling of Company Stock

No SMP may, directly or indirectly, sell any equity security, including derivatives, of the Company in violation of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, as amended from time to time.

6. Compliance with Governmental Laws, Rules and Regulations

SMPs must comply with all applicable governmental laws, rules and regulations. SMPs must acquire appropriate knowledge of the legal requirements relating to their duties and sufficient to enable them to recognize potential dangers, and to know when to seek advice from the legal department. Violations of applicable government laws, rules and regulations may subject SMPs to individual criminal or civil liability as well as to disciplinary action by the Company. Such individual violations may also subject the Company to civil or criminal liability or the loss of reputation or business.

7. Violations of the Code

The responsibility of each SMP is to comply with this Code. SMPs must report all possible violations of this Code to the Board of Directors / Committee thereof of the Company. SMPs must cooperate in case of any internal or external investigation of possible violations. Reprisal, threat, retribution or retaliation against any person who has, in good faith, reported a violation of law, this Code or other Company policies or against any person who is assisting in any investigation or process with respect to such a violation is prohibited.

Disciplinary action by the Company may include termination of employment or of business relationship at the sole discretion of the Company. Where the Company has suffered a loss, it may pursue its remedies against the individuals or entities responsible. Where laws have been violated the Company will cooperate fully with the appropriate authorities.

Subject to extant Laws, an independent director shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with his knowledge, attributable through processes of board of directors, and with his consent or connivance or where he had not acted diligently with respect to the provisions contained in these regulations.

The Company has in place Directors and Officers insurance ('D&O insurance') policy for all directors (including independent directors) / officers / employees of the Company and its subsidiaries, in terms of the resolution passed by the Board of Directors of the Company in its meeting dated 14th November 2018.

8. Disclaimer

This Code is subordinate to the Listing Regulations or other applicable statutory provisions including Companies Act, 2013 (collectively referred to as the “Regulations”), as amended, and in the event of disparity between this Code and the Regulations (including due to subsequent amendments to the Regulations), the provisions of the Code will prevail and there would not be any necessity to amend this Code to that extent.

Annexure A

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.

Every independent director shall, at the first meeting of the board in which he participates as a director and thereafter at the first meeting of the board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, submit a declaration that he meets the criteria of independence as provided in clause 16(1)(b) of the Listing Regulations and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. The Board of Directors of the Company shall take on record such declaration and confirmation submitted by the independent director after undertaking due assessment of the veracity of the same.

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 including in terms of nature of the industry and business model of the Company and independent directors' roles, rights, responsibilities;
- (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) act 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.

The above information on the professional conduct, roles and functions and duties and responsibilities of the independent directors is indicative in nature.

Every independent director shall be governed by the extant Laws including the Act, Rules made thereunder and the Listing Regulations. Independent directors should read and comply with various policies/codes formulated by the Company carefully and apprise themselves, regularly, of the provisions of the extant Laws, paying particular attention to the specific policies / provisions and the potential criminal and civil liability and / or disciplinary action for violations.