UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

T **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended April 3, 2016

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 001-34166

SUNPOWER®

SunPower Corporation

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**94-3008969**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

77 Rio Robles, San Jose, California 95134
(Address of Principal Executive Offices and Zip Code)
(408) 240-5500
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes T No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes T No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No T

The total number of outstanding shares of the registrant’s common stock as of April 29, 2016 was 138,046,057.

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PART I. FINANCIAL INFORMATION
ITEM 1. *FINANCIAL STATEMENTS*

SunPower Corporation
Consolidated Balance Sheets
(In thousands, except share data)
(unaudited)

	April 3, 2016	January 3, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 555,178	$ 954,528
Restricted cash and cash equivalents, current portion	24,572	24,488
Accounts receivable, net[1]	177,443	190,448
Costs and estimated earnings in excess of billings[1]	56,503	38,685
Inventories	386,787	382,390
Advances to suppliers, current portion	95,421	85,012
Project assets - plants and land, current portion[1]	662,868	479,452
Prepaid expenses and other current assets[1]	415,128	359,517
Total current assets	2,373,900	2,514,520
Restricted cash and cash equivalents, net of current portion	43,470	41,748
Restricted long-term marketable securities	6,560	6,475
Property, plant and equipment, net	802,944	731,230
Solar power systems leased and to be leased, net	561,534	531,520
Project assets - plants and land, net of current portion	5,900	5,072
Advances to suppliers, net of current portion	251,763	274,085
Long-term financing receivables, net	378,802	334,791
Goodwill and other intangible assets, net	110,715	119,577
Other long-term assets[1]	299,267	297,975
Total assets	$ 4,834,855	$ 4,856,993
Liabilities and Equity		
Current liabilities:		
Accounts payable[1]	$ 530,178	$ 514,654
Accrued liabilities[1]	283,502	313,497
Billings in excess of costs and estimated earnings	142,210	115,739
Short-term debt	63,348	21,041
Customer advances, current portion[1]	35,307	33,671
Total current liabilities	1,054,545	998,602
Long-term debt	498,197	478,948
Convertible debt[1]	1,111,466	1,110,960
Customer advances, net of current portion[1]	119,423	126,183
Other long-term liabilities[1]	562,723	564,557
Total liabilities	3,346,354	3,279,250
Commitments and contingencies (Note 8)		
Redeemable noncontrolling interests in subsidiaries	78,818	69,104
Equity:		
Preferred stock, $0.001 par value; 10,000,000 shares authorized; none issued and outstanding as of both April 3, 2016 and January 3, 2016	—	—
Common stock, $0.001 par value, 367,500,000 shares authorized; 147,356,818 shares issued, and 138,027,294 outstanding as of April 3, 2016; 145,242,705 shares issued, and 136,712,339 outstanding as of January 3, 2016	138	137
Additional paid-in capital	2,376,771	2,359,917
Accumulated deficit	(833,026)	(747,617)
Accumulated other comprehensive loss	(12,599)	(8,023)
Treasury stock, at cost; 9,329,524 shares of common stock as of April 3, 2016; 8,530,366 shares of common stock as of January 3, 2016	(174,142)	(155,265)
Total stockholders' equity	1,357,142	1,449,149
Noncontrolling interests in subsidiaries	52,541	59,490

Total equity	1,409,683	1,508,639
Total liabilities and equity	$ 4,834,855	$ 4,856,993

[1] The Company has related-party balances for transactions made with Total and its affiliates as well as unconsolidated entities in which the Company has a direct equity investment. These related-party balances are recorded within the "Accounts Receivable, net," "Costs and estimated earnings in excess of billings," "Project assets - plants and land, current portion," "Prepaid expenses and other current assets," "Other long-term assets," "Accounts payable," "Accrued Liabilities", "Customer advances, current portion," "Convertible debt, net of current portion," and "Customer advances, net of current portion" financial statement line items in the Consolidated Balance Sheets (see Note 2, Note 6, Note 9, Note 10, and Note 11).

The accompanying notes are an integral part of these consolidated financial statements.

SunPower Corporation
Consolidated Statements of Operations
(In thousands, except per share data)
(unaudited)

	Three Months Ended	
	April 3, 2016	March 29, 2015
Revenue[1]		
Solar power systems, components, and other	$ 328,700	$ 401,213
Residential leasing	56,175	39,658
	$ 384,875	$ 440,871
Cost of revenue[1]		
Solar power systems, components, and other	290,241	319,648
Residential leasing	43,097	30,405
	333,338	350,053
Gross margin	51,537	90,818
Operating expenses:		
Research and development[1]	32,706	21,168
Sales, general and administrative[1]	97,791	77,214
Restructuring charges	96	3,581
Total operating expenses	130,593	101,963
Operating loss	(79,056)	(11,145)
Other income (expense), net:		
Interest income	697	556
Interest expense[1]	(12,881)	(15,681)
Other, net	(6,232)	(2,620)
Other expense, net	(18,416)	(17,745)
Loss before income taxes and equity in earnings (loss) of unconsolidated investees	(97,472)	(28,890)
Provision for income taxes	(3,181)	(2,351)
Equity in earnings (loss) of unconsolidated investees	(764)	2,191
Net loss	(101,417)	(29,050)
Net loss attributable to noncontrolling interests and redeemable noncontrolling interests	16,008	19,469
Net loss attributable to stockholders	$ (85,409)	$ (9,581)
Net loss per share attributable to stockholders:		
Basic	$ (0.62)	$ (0.07)
Diluted	$ (0.62)	$ (0.07)
Weighted-average shares:		
Basic	137,203	132,033
Diluted	137,203	132,033

[1] The Company has related-party transactions with Total and its affiliates as well as unconsolidated entities in which the Company has a direct equity investment. These related-party transactions are recorded within "Revenue: Solar power systems and components," "Cost of revenue: Solar power systems and components," "Operating expenses: Research and development," "Operating expenses: Sales, general and administrative," and "Other income (expense), net: Interest expense" financial statement line items in the Consolidated Statements of Operations (see Note 2 and Note 9).

The accompanying notes are an integral part of these consolidated financial statements.

SunPower Corporation
Consolidated Statements of Comprehensive Loss
(In thousands)
(unaudited)

	Three Months Ended	
	April 3, 2016	March 29, 2015
Net loss	$ (101,417)	$ (29,050)
Components of comprehensive loss:		
Translation adjustment	1,419	(2,003)
Net change in derivatives (Note 11)	(6,745)	(4,188)
Income taxes	750	111
Net change in accumulated other comprehensive loss	(4,576)	(6,080)
Total comprehensive loss	(105,993)	(35,130)
Comprehensive loss attributable to noncontrolling interests and redeemable noncontrolling interests	16,008	19,469
Comprehensive loss attributable to stockholders	$ (89,985)	$ (15,661)

The accompanying notes are an integral part of these consolidated financial statements.

SunPower Corporation
Consolidated Statements of Equity
(In thousands)
(unaudited)

	Redeemable Noncontrolling Interests	Common Stock Shares	Common Stock Value	Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balances at January 3, 2016	**$ 69,104**	**136,711**	**$137**	**$2,359,917**	**$(155,265)**	**$ (8,023)**	**$ (747,617)**	**$ 1,449,149**	**$ 59,490**	**$1,508,639**
Net loss	(14,960)	—	—	—	—	—	(85,409)	(85,409)	(1,048)	(86,457)
Other comprehensive loss	—	—	—	—	—	(4,576)	—	(4,576)	—	(4,576)
Issuance of restricted stock to employees, net of cancellations	—	2,114	2	—	—	—	—	2	—	2
Stock-based compensation expense	—	—	—	16,854	—	—	—	16,854	—	16,854
Contributions from noncontrolling interests	26,216	—	—	—	—	—	—	—	(2,134)	(2,134)
Distributions to noncontrolling interests	(1,542)	—	—	—	—	—	—	—	(3,767)	(3,767)
Purchases of treasury stock	—	(799)	(1)	—	(18,877)	—	—	(18,878)	—	(18,878)
Balances at April 3, 2016	**$ 78,818**	**138,026**	**$138**	**$2,376,771**	**$(174,142)**	**$ (12,599)**	**$ (833,026)**	**$ 1,357,142**	**$ 52,541**	**$1,409,683**

The accompanying notes are an integral part of these consolidated financial statements.

SunPower Corporation
Consolidated Statements of Cash Flows
(In thousands)
(unaudited)

	Three Months Ended	
	April 3, 2016	March 29, 2015
Cash flows from operating activities:		
Net loss	$ (101,417)	$ (29,050)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	42,117	28,563
Stock-based compensation	16,520	13,546
Non-cash interest expense	346	4,680
Equity in loss (earnings) of unconsolidated investees	764	(2,191)
Excess tax benefit from stock-based compensation	—	(572)
Deferred income taxes	(1,169)	(5,078)
Other, net	890	855
Changes in operating assets and liabilities, net of effect of acquisitions:		
Accounts receivable	12,561	32,735
Costs and estimated earnings in excess of billings	(17,525)	140,970
Inventories	(18,248)	(108,072)
Project assets	(179,376)	(93,150)
Prepaid expenses and other assets	(45,034)	(25,090)
Long-term financing receivables, net	(44,011)	(29,198)
Advances to suppliers	11,913	13,903
Accounts payable and other accrued liabilities	(69,974)	(51,781)
Billings in excess of costs and estimated earnings	26,866	5,621
Customer advances	(5,124)	(10,099)
Net cash used in operating activities	(369,901)	(113,408)
Cash flows from investing activities:		
Increase in restricted cash and cash equivalents	(1,806)	(18,828)
Purchases of property, plant and equipment	(47,044)	(24,564)
Cash paid for solar power systems, leased and to be leased	(23,238)	(19,403)
Payments to 8point3 Energy Partners LP	(9,968)	—
Cash paid for investments in unconsolidated investees	(9,752)	—
Cash paid for intangibles	—	(526)
Net cash used in investing activities	(91,808)	(63,321)
Cash flows from financing activities:		
Cash paid for repurchase of convertible debt	—	(324,273)
Proceeds from settlement of 4.50% Bond Hedge	—	74,628
Repayment of bank loans and other debt	(7,725)	(7,946)
Proceeds from issuance of non-recourse residential financing, net of issuance costs	28,339	—
Repayment of non-recourse residential financing	(1,065)	(10,944)
Contributions from noncontrolling interests and redeemable noncontrolling interests attributable to residential projects	24,082	45,890
Distributions to noncontrolling interests and redeemable noncontrolling interests attributable to residential projects	(5,309)	(2,260)
Proceeds from issuance of non-recourse power plant and commercial financing, net of issuance costs	79,440	90,718
Repayment of non-recourse power plant and commercial financing	(37,301)	(90)
Proceeds from exercise of stock options	—	3
Excess tax benefit from stock-based compensation	—	572
Purchases of stock for tax withholding obligations on vested restricted stock	(18,876)	(38,704)
Net cash provided by (used in) financing activities	61,585	(172,406)
Effect of exchange rate changes on cash and cash equivalents	774	(5,467)
Net decrease in cash and cash equivalents	(399,350)	(354,602)
Cash and cash equivalents, beginning of period	954,528	956,175
Cash and cash equivalents, end of period	$ 555,178	$ 601,573

Non-cash transactions:				
Assignment of residential lease receivables to third parties	$	1,097	$	1,307
Costs of solar power systems, leased and to be leased, sourced from existing inventory	$	15,085	$	14,664
Costs of solar power systems, leased and to be leased, funded by liabilities	$	9,050	$	6,388
Costs of solar power systems under sale-leaseback financing arrangements, sourced from project assets	$	—	$	1,050
Property, plant and equipment acquisitions funded by liabilities	$	81,369	$	20,185
Net reclassification of cash proceeds offset by project assets in connection with the deconsolidation of assets sold to the 8point3 Group	$	8,726	$	—

The accompanying notes are an integral part of these consolidated financial statements.

Note 1. *THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

The Company

SunPower Corporation (together with its subsidiaries, the "Company" or "SunPower") is a leading global energy company that delivers complete solar solutions to residential, commercial, and power plant customers worldwide through an array of hardware, software, and financing options and through utility-scale solar power system construction and development capabilities, operations and maintenance ("O&M") services, and "Smart Energy" solutions. SunPower's Smart Energy initiative is designed to add layers of intelligent control to homes, buildings and grids—all personalized through easy-to-use customer interfaces. Of all the solar cells commercially available to the mass market, the Company believes its solar cells have the highest conversion efficiency, a measurement of the amount of sunlight converted by the solar cell into electricity. SunPower Corporation is a majority owned subsidiary of Total Energies Nouvelles Activités USA ("Total"), a subsidiary of Total S.A. ("Total S.A.") (see Note 2).

The Company's President and Chief Executive Officer, as the chief operating decision maker ("CODM"), has organized the Company, manages resource allocations and measures performance of the Company's activities among three end-customer segments: (i) Residential Segment, (ii) Commercial Segment and (iii) Power Plant Segment. The Residential and Commercial Segments combined are referred to as Distributed Generation.

The Company’s Residential Segment refers to sales of solar energy solutions to residential end customers through a variety of means, including cash sales and long-term leases directly to end customers, sales to resellers, including the Company's third-party global dealer network, and sales of the Company's O&M services. The Company’s Commercial Segment refers to sales of solar energy solutions to commercial and public entity end customers through a variety of means, including direct sales of turn-key engineering, procurement and construction ("EPC") services, sales to the Company's third-party global dealer network, sales of energy under power purchase agreements ("PPAs"), and sales of the Company's O&M services. The Power Plant Segment refers to the Company's large-scale solar products and systems business, which includes power plant project development and project sales, EPC services for power plant construction, power plant O&M services and component sales for power plants developed by third parties, sometimes on a multi-year, firm commitment basis.

Basis of Presentation and Preparation

Principles of Consolidation

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("United States" or "U.S.") and include the accounts of the Company, all of its subsidiaries and special purpose entities, as appropriate under consolidation accounting guidelines. Intercompany transactions and balances have been eliminated in consolidation. The assets of the special purpose entities that the Company establishes in connection with certain project financing arrangements for customers are not designed to be available to service the general liabilities and obligations of the Company.

Reclassifications

Certain prior period balances have been reclassified to conform to the current period presentation in the Company's consolidated financial statements and the accompanying notes. Such reclassifications had no effect on previously reported results of operations or accumulated deficit.

Fiscal Years

The Company has a 52-to-53-week fiscal year that ends on the Sunday closest to December 31. Accordingly, every fifth or sixth year will be a 53-week fiscal year. The current fiscal year, fiscal 2016, is a 52-week fiscal year, while fiscal year 2015 was a 53-week fiscal year and had a 14-week fourth fiscal quarter. The first quarter of fiscal 2016 ended on April 3, 2016, while the first quarter of fiscal 2015 ended on March 29, 2015. The first quarters of fiscal 2016 and fiscal 2015 were both 13-week quarters.

Management Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Significant estimates in these consolidated financial statements

include percentage-of-completion for construction projects; allowances for doubtful accounts receivable and sales returns; inventory and project asset write-downs; stock-based compensation; estimates for future cash flows and economic useful lives of property, plant and equipment, goodwill, valuations for business combinations, other intangible assets, investments, and other long-term assets; the fair value and residual value of solar power systems; fair value of financial instruments; valuation of contingencies and certain accrued liabilities such as accrued warranty; and income taxes and tax valuation allowances and indemnities. Actual results could materially differ from those estimates.

Recent Accounting Pronouncements

In March 2016, the Financial Accounting Standards Board ("FASB") issued an update to the standards to simplify the accounting for employee share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. Early adoption is permitted. The new guidance is effective for the Company no later than the first quarter of fiscal 2017. The Company is evaluating the potential impact of this standard on its consolidated financial statements and disclosures.

In February 2016, the FASB issued an update to the standards to require lessees to recognize a lease liability and a right-of-use asset for all leases (lease terms of more than 12 months) at the commencement date. The new guidance is effective for the Company no later than the first quarter of fiscal 2019 and requires a modified retrospective approach to adoption. Early adoption is permitted. The Company is evaluating the potential impact of this standard on its consolidated financial statements and disclosures.

In January 2016, the FASB issued an update to the standards to require equity investments to be measured at fair value with changes in the fair value recognized through net income (other than those accounted for under the equity method of accounting or those that result in consolidation of the investee). The new guidance is effective for the Company no later than the first quarter of fiscal 2018 and upon adoption, an entity should apply the amendments by means of a cumulative-effect adjustment to the balance sheet at the beginning of the first reporting period in which the guidance is effective. Early adoption is permitted for the accounting guidance on financial liabilities under the fair value option. The Company is evaluating the potential impact of this standard on its consolidated financial statements and disclosures.

In July 2015, the FASB issued an update to the standards to simplify the measurement of inventory. The updated standard more closely aligns the measurement of inventory with that of International Financial Reporting Standards ("IFRS") and amends the measurement standard from lower of cost or market to lower of cost or net realizable value. The new guidance is effective for the Company no later than the first quarter of fiscal 2017 and requires a prospective approach to adoption. Early adoption is permitted. The Company is evaluating the potential impact of this standard on its consolidated financial statements and disclosures.

In April 2015, the FASB issued an update to the standards to provide a practical expedient for the measurement date of defined benefit obligation and plan assets for reporting entities with fiscal year-ends that do not coincide with a month-end. The updated standard allows such entities to measure defined benefit plan assets and obligations using the month-end that is closest to the entity's fiscal year-end and apply that practical expedient consistently from year to year and to all plans, if an entity has more than one plan. The Company elected early adoption of the updated accounting standard, effective in the fourth quarter of fiscal 2015, and measured its defined benefit plan assets and obligations as of December 31, 2015, the calendar month-end closest to the Company's fiscal year-end. The adoption of this updated accounting standard did not have a significant impact to the Company's consolidated financial statements.

In February 2015, the FASB issued a new standard that modifies existing consolidation guidance for reporting organizations that are required to evaluate whether they should consolidate certain legal entities. The Company adopted the new accounting standard, effective in the first quarter of fiscal 2016. Adoption of the new accounting standard did not have a material impact to the Company's consolidated financial statements.

In May 2014, the FASB issued a new revenue recognition standard based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The FASB has issued several updates to the standard which i) clarify the application of the principal versus agent guidance; and ii) clarify the guidance relating to performance obligations and licensing. The new revenue recognition standard, amended by the updates, becomes effective for the Company in the first quarter of fiscal 2018 and is to be applied retrospectively using one of two prescribed methods. Early adoption is permitted. The Company is evaluating the available methods and the potential impact of this standard on its consolidated financial statements and disclosures.

Other than as described above, there has been no issued accounting guidance not yet adopted by the Company that it believes is material or potentially material to its consolidated financial statements.

Note 2. *TRANSACTIONS WITH TOTAL AND TOTAL S.A.*

In June 2011, Total completed a cash tender offer to acquire 60% of the Company's then outstanding shares of common stock at a price of $23.25 per share, for a total cost of approximately $1.4 billion. In December 2011, the Company entered into a Private Placement Agreement with Total, under which Total purchased, and the Company issued and sold, 18.6 million shares of the Company's common stock for a purchase price of $8.80 per share, thereby increasing Total's ownership to approximately 66% of the Company's outstanding common stock as of that date. As of April 3, 2016, through the increase of the Company's total outstanding common stock due to the exercise of warrants and issuance of restricted and performance stock units, Total's ownership of the Company's outstanding common stock has decreased to approximately 57%.

Credit Support Agreement

On April 28, 2011, the Company and Total S.A. entered into a Credit Support Agreement (the "Credit Support Agreement") under which Total S.A. agreed to enter into one or more guarantee agreements (each a "Guaranty") with banks providing letter of credit facilities to the Company. Total S.A. will guarantee the Company's obligation to reimburse the applicable issuing bank for a draw on a letter of credit and pay interest thereon in accordance with the letter of credit facility between such bank and the Company. Under the Credit Support Agreement, the Company may also request that Total S.A. provide a Guaranty in support of the Company's payment obligations with respect to a letter of credit facility. The Company is required to pay Total S.A. a guarantee fee for each letter of credit that is the subject of a Guaranty under the Credit Support Agreement and was outstanding for all or part of the preceding calendar quarter. The Credit Support Agreement was amended on June 7, 2011, it became effective on June 28, 2011 in connection with the completion of the Tender Offer (the "CSA Effective Date"), and it was further amended on each of December 12, 2011 and December 14, 2012.

The Credit Support Agreement will terminate following the fifth anniversary of the CSA Effective Date, after the later of the payment in full of all obligations thereunder and the termination or expiration of each Guaranty provided thereunder.

Affiliation Agreement

The Company and Total have entered into an Affiliation Agreement that governs the relationship between Total and the Company (the "Affiliation Agreement"). Until the expiration of a standstill period specified in the Affiliation Agreement (the "Standstill Period"), and subject to certain exceptions, Total, Total S.A., any of their respective affiliates and certain other related parties (collectively the "Total Group") may not effect, seek, or enter into discussions with any third-party regarding any transaction that would result in the Total Group beneficially owning shares of the Company in excess of certain thresholds, or request the Company or the Company's independent directors, officers or employees, to amend or waive any of the standstill restrictions applicable to the Total Group.

The Affiliation Agreement imposes certain limitations on the Total Group's ability to seek to effect a tender offer or merger to acquire 100% of the outstanding voting power of the Company and imposes certain limitations on the Total Group's ability to transfer 40% or more of the outstanding shares or voting power of the Company to a single person or group that is not a direct or indirect subsidiary of Total S.A. During the Standstill Period, no member of the Total Group may, among other things, solicit proxies or become a participant in an election contest relating to the election of directors to the Company's Board of Directors.

The Affiliation Agreement provides Total with the right to maintain its percentage ownership in connection with any new securities issued by the Company, and Total may also purchase shares on the open market or in private transactions with disinterested stockholders, subject in each case to certain restrictions.

The Affiliation Agreement also imposes certain restrictions with respect to the Company's and its Board of Directors' ability to take certain actions, including specifying certain actions that require approval by the directors other than the directors appointed by Total and other actions that require stockholder approval by Total.

Research & Collaboration Agreement

Total and the Company have entered into a Research & Collaboration Agreement (the "R&D Agreement") that establishes a framework under which the parties engage in long-term research and development collaboration ("R&D Collaboration"). The R&D Collaboration encompasses a number of different projects, with a focus on advancing the

Company's technology position in the crystalline silicon domain, as well as ensuring the Company's industrial competitiveness. The R&D Agreement enables a joint committee to identify, plan and manage the R&D Collaboration.

Compensation and Funding Agreement

In February 2012, the Company entered into a Compensation and Funding Agreement (the "Compensation and Funding Agreement") with Total S.A. that established the parameters for the terms of liquidity injections that may be required to be provided by Total S.A. to the Company from time to time. During the term of the Compensation and Funding Agreement, the Company is required to pay Total S.A. a guarantee fee in an amount equal to 2.75% per annum of the average amount of the Company's indebtedness that is guaranteed by Total S.A. pursuant to any guaranty issued in accordance with the terms of the Compensation and Funding Agreement during such quarter. Any payment obligations of the Company to Total S.A. under the Compensation and Funding Agreement that are not paid when due accrue interest until paid in full at a rate equal to 6-month U.S. LIBOR as in effect from time to time plus 5.00% per annum.

Upfront Warrant

In February 2012, the Company issued a warrant (the "Upfront Warrant") to Total S.A. to purchase 9,531,677 shares of the Company's common stock with an exercise price of $7.8685, subject to adjustment for customary anti-dilution and other events. The Upfront Warrant, which is governed by the Private Placement Agreement and the Compensation and Funding Agreement, is exercisable at any time for seven years after its issuance, provided that, so long as at least $25.0 million in aggregate of the Company's convertible debt remains outstanding, such exercise will not cause "any person," including Total S.A., to, directly or indirectly, including through one or more wholly-owned subsidiaries, become the "beneficial owner" (as such terms are defined in Rule 13d-3 and Rule 13d-5 under the Securities Exchange Act of 1934, as amended), of more than 74.99% of the voting power of the Company's common stock at such time, a circumstance which would trigger the repurchase or conversion of the Company's existing convertible debt.

0.75% Debentures Due 2018

In May 2013, the Company issued $300.0 million in principal amount of its 0.75% senior convertible debentures due 2018 (the "0.75% debentures due 2018"). $200.0 million in aggregate principal amount of the 0.75% debentures due 2018 were acquired by Total. The 0.75% debentures due 2018 are convertible into shares of the Company's common stock at any time based on an initial conversion price equal to $24.95 per share, which provides Total the right to acquire up to 8,017,420 shares of the Company's common stock. The applicable conversion rate may adjust in certain circumstances, including a fundamental change, as described in the indenture governing the 0.75% debentures due 2018 (see Note 10).

0.875% Debentures Due 2021

In June 2014, the Company issued $400.0 million in principal amount of its 0.875% senior convertible debentures due 2021 (the "0.875% debentures due 2021"). An aggregate principal amount of $250.0 million of the 0.875% debentures due 2021 were acquired by Total. The 0.875% debentures due 2021 are convertible into shares of the Company's common stock at any time based on an initial conversion price equal to $48.76 per share, which provides Total the right to acquire up to 5,126,775 shares of the Company's common stock. The applicable conversion rate may adjust in certain circumstances, including a fundamental change, as described in the indenture governing the 0.875% debentures due 2021 (see Note 10).

4.00% Debentures Due 2023

In December 2015, the Company issued $425.0 million in principal amount of its 4.00% senior convertible debentures due 2023 (the "4.00% debentures due 2023"). An aggregate principal amount of $100.0 million of the 4.00% debentures due 2023 were acquired by Total. The 4.00% debentures due 2023 are convertible into shares of the Company's common stock at any time based on an initial conversion price equal to $30.53 per share, which provides Total the right to acquire up to 3,275,680 shares of the Company's common stock. The applicable conversion rate may adjust in certain circumstances, including a fundamental change, as described in the indenture governing the 4.00% debentures due 2023 (see Note 10).

Joint Projects with Total and its Affiliates:

The Company enters into various EPC and O&M agreements relating to solar projects, including EPC and O&M services agreements relating to projects owned or partially owned by Total and its affiliates. As of April 3, 2016, the Company had $41.1 million of "Costs and estimated earnings in excess of billings" and $2.4 million of "Accounts receivable, net" on its Consolidated Balance Sheets related to projects in which Total and its affiliates have a direct or indirect material interest.

Related-Party Transactions with Total and its Affiliates:

(In thousands)	Three Months Ended April 3, 2016	Three Months Ended March 29, 2015
Revenue:		
EPC, O&M, and components revenue under joint projects	$ 40,927	$ 755
Research and development expense:		
Offsetting contributions received under the R&D Agreement	$ —	$ (422)
Interest expense:		
Guarantee fees incurred under the Credit Support Agreement	$ 1,646	$ 2,726
Interest expense incurred on the 0.75% debentures due 2018	$ 375	$ 375
Interest expense incurred on the 0.875% debentures due 2021	$ 547	$ 547
Interest expense incurred on the 4.00% debentures due 2023	$ 1,000	n/a

Note 3. *GOODWILL AND OTHER INTANGIBLE ASSETS*

Goodwill

The following table presents the changes in the carrying amount of goodwill under the Company's reportable business segments:

(In thousands)	Residential	Commercial	Power Plant	Total
As of January 3, 2016	$ 32,180	$ 10,314	$ 15,641	$ 58,135
Adjustments to goodwill	—	(570)	—	(570)
As of April 3, 2016	$ 32,180	$ 9,744	$ 15,641	$ 57,565

Other Intangible Assets

The following tables present details of the Company's acquired other intangible assets:

(In thousands)	Gross	Accumulated Amortization	Net
As of April 3, 2016			
Patents and purchased technology	$ 48,619	$ (8,504)	$ 40,115
Project pipeline assets	9,446	—	9,446
Purchased in-process research and development	3,700	(111)	3,589
Other	500	(500)	—
	$ 62,265	$ (9,115)	$ 53,150
As of January 3, 2016			
Patents and purchased technology	$ 53,499	$ (5,328)	$ 48,171
Project pipeline assets	9,446	—	9,446
Purchased in-process research and development	3,700	—	3,700
Other	500	$ (375)	125
	$ 67,145	$ (5,703)	$ 61,442

Aggregate amortization expense for intangible assets totaled $8.3 million and $0.5 million for the three months ended April 3, 2016 and March 29, 2015, respectively.

As of April 3, 2016, the estimated future amortization expense related to intangible assets with finite useful lives is as follows:

(In thousands)	Amount
Fiscal Year	
2016 (remaining nine months)	$ 12,844
2017	11,854
2018	12,014
2019	8,902
2020	6,317
	$ 51,931

Note 4. ***BALANCE SHEET COMPONENTS***

	As of	
(In thousands)	**April 3, 2016**	**January 3, 2016**
Accounts receivable, net:		
Accounts receivable, gross[1,2]	$ 196,720	$ 207,860
Less: allowance for doubtful accounts	(17,493)	(15,505)
Less: allowance for sales returns	(1,784)	(1,907)
	$ 177,443	$ 190,448

[1] Includes short-term financing receivables associated with solar power systems leased of $14.1 million and $12.5 million as of April 3, 2016 and January 3, 2016, respectively (see Note 5).

[2] Includes short-term retainage of $15.7 million and $11.8 million as of April 3, 2016 and January 3, 2016, respectively. Retainage refers to the earned, but unbilled, portion of a construction and development project for which payment is deferred by the customer until certain contractual milestones are met.

	As of	
(In thousands)	**April 3, 2016**	**January 3, 2016**
Inventories:		
Raw materials	$ 104,177	$ 124,297
Work-in-process	108,050	131,258
Finished goods	174,560	126,835
	$ 386,787	$ 382,390

	As of	
(In thousands)	**April 3, 2016**	**January 3, 2016**
Prepaid expenses and other current assets:		
Deferred project costs	$ 117,027	$ 67,479
VAT receivables, current portion	12,487	14,697
Deferred costs for solar power systems to be leased	46,032	40,988
Derivative financial instruments	5,819	8,734
Prepaid inventory	50,615	50,615
Other receivables	81,821	78,824
Other prepaid expenses	101,139	98,180
Other current assets	188	—
	$ 415,128	$ 359,517

(In thousands)	As of April 3, 2016	As of January 3, 2016
Project assets - plants and land:		
Project assets — plants	$ 664,365	$ 479,108
Project assets — land	4,403	5,416
	$ 668,768	$ 484,524
Project assets - plants and land, current portion	$ 662,868	$ 479,452
Project assets - plants and land, net of current portion	$ 5,900	$ 5,072

(In thousands)	As of April 3, 2016	As of January 3, 2016
Property, plant and equipment, net:		
Manufacturing equipment[1]	$ 630,085	$ 556,963
Land and buildings	32,134	32,090
Leasehold improvements	388,545	244,098
Solar power systems[2]	141,986	141,075
Computer equipment	109,090	103,443
Furniture and fixtures	11,216	10,640
Construction-in-process	116,828	247,511
	1,429,884	1,335,820
Less: accumulated depreciation	(626,940)	(604,590)
	$ 802,944	$ 731,230

[1] The Company's mortgage loan agreement with International Finance Corporation ("IFC") is collateralized by certain manufacturing equipment with a net book value of $77.2 million and $85.1 million as of April 3, 2016 and January 3, 2016, respectively.

[2] Includes $110.4 million of solar power systems associated with sale-leaseback transactions under the financing method as of both April 3, 2016 and January 3, 2016, which are depreciated using the straight-line method to their estimated residual values over the lease terms of up to 20 years (see Note 5).

(In thousands)	As of April 3, 2016	As of January 3, 2016
Property, plant and equipment, net by geography[1]:		
Philippines	$ 525,306	$ 460,420
United States	204,402	201,419
Mexico	47,932	44,164
Europe	23,178	22,962
Other	2,126	2,265
	$ 802,944	$ 731,230

[1] Property, plant and equipment, net by geography is based on the physical location of the assets.

(In thousands)	As of April 3, 2016	As of January 3, 2016
Other long-term assets:		
Equity method investments	$ 177,534	$ 186,405
Cost method investments	45,602	36,369
Other	76,131	75,201
	$ 299,267	$ 297,975

(In thousands)	As of April 3, 2016	As of January 3, 2016
Accrued liabilities:		
Employee compensation and employee benefits	41,019	59,476
Deferred revenue	19,393	19,887
Short-term residential lease financing	13,340	7,395
Interest payable	11,828	8,165
Short-term warranty reserves	8,971	16,639
Restructuring reserve	1,614	1,823
VAT payables	2,899	4,225
Derivative financial instruments	10,811	2,316
Inventory payable	50,615	50,615
Liability due to 8point3 Energy Partners	—	9,952
Proceeds from 8point3 Energy Partners attributable to pre-COD projects	4,887	—
Other	118,125	133,004
	$ 283,502	$ 313,497

(In thousands)	As of April 3, 2016	As of January 3, 2016
Other long-term liabilities:		
Deferred revenue	$ 178,903	$ 179,779
Long-term warranty reserves	157,469	147,488
Long-term sale-leaseback financing	126,230	125,286
Long-term residential lease financing with 8point3 Energy Partners	29,400	29,389
Unrecognized tax benefits	42,839	43,297
Long-term pension liability	13,142	12,014
Derivative financial instruments	948	1,033
Other	13,792	26,271
	$ 562,723	$ 564,557

(In thousands)	As of April 3, 2016	As of January 3, 2016
Accumulated other comprehensive loss:		
Cumulative translation adjustment	$ (9,745)	$ (11,164)
Net unrealized gain (loss) on derivatives	(803)	5,942
Net loss on long-term pension liability adjustment	(2,055)	(2,055)
Deferred taxes	4	(746)
	$ (12,599)	$ (8,023)

Note 5. ***LEASING***

Residential Lease Program

The Company offers a solar lease program, which provides U.S. residential customers with SunPower systems under 20-year lease agreements that include system maintenance and warranty coverage. Leases are classified as either operating or sales-type leases in accordance with the relevant accounting guidelines.

Operating Leases

The following table summarizes "Solar power systems leased and to be leased, net" under operating leases on the Company's Consolidated Balance Sheets as of April 3, 2016 and January 3, 2016:

	As of	
(In thousands)	**April 3, 2016**	**January 3, 2016**
Solar power systems leased and to be leased, net[1,2]:		
Solar power systems leased	$ 573,628	$ 543,358
Solar power systems to be leased	39,811	34,319
	613,439	577,677
Less: accumulated depreciation	(51,905)	(46,157)
	$ 561,534	$ 531,520

[1] Solar power systems leased and to be leased, net are physically located exclusively in the United States.

[2] As of April 3, 2016 and January 3, 2016, the Company had pledged solar assets with an aggregate book value of $94.1 million and zero, respectively, to third-party investors as security for the Company's contractual obligations.

The following table presents the Company's minimum future rental receipts on operating leases placed in service as of April 3, 2016:

(In thousands)	**Fiscal 2016 (remaining nine months)**	**Fiscal 2017**	**Fiscal 2018**	**Fiscal 2019**	**Fiscal 2020**	**Thereafter**	**Total**
Minimum future rentals on operating leases placed in service[1]	$ 13,037	18,625	18,662	18,699	18,738	264,210	$ 351,971

[1] Minimum future rentals on operating leases placed in service does not include contingent rentals that may be received from customers under agreements that include performance-based incentives nor does it include rent receivables on operating leases sold to the 8point3 Group.

Sales-Type Leases

As of April 3, 2016 and January 3, 2016, the Company's net investment in sales-type leases presented in "Accounts receivable, net" and "Long-term financing receivables, net" on the Company's Consolidated Balance Sheets was as follows:

	As of	
(In thousands)	**April 3, 2016**	**January 3, 2016**
Financing receivables[1]:		
Minimum lease payments receivable[2]	$ 416,559	$ 366,759
Unguaranteed residual value	55,699	50,722
Unearned income	(79,385)	(70,155)
Net financing receivables	$ 392,873	$ 347,326
Current	$ 14,071	$ 12,535
Long-term	$ 378,802	$ 334,791

[1] As of April 3, 2016 and January 3, 2016, the Company had pledged financing receivables of $69.5 million and zero, respectively, to third-party investors as security for the Company's contractual obligations.

[2] Net of allowance for doubtful accounts.

As of April 3, 2016, future maturities of net financing receivables for sales-type leases are as follows:

(In thousands)	Fiscal 2016 (remaining nine months)	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Thereafter	Total
Scheduled maturities of minimum lease payments receivable[1]	$ 15,537	20,716	20,887	21,066	21,249	317,104	$ 416,559

[1] Minimum future rentals on sales-type leases placed in service does not include contingent rentals that may be received from customers under agreements that include performance-based incentives.

Sale-Leaseback Arrangements

The Company enters into sale-leaseback arrangements under which solar power systems are sold to third parties and subsequently leased back by the Company over minimum lease terms of up to 20 years. Separately, the Company enters into PPAs with end customers, who host the leased solar power systems and buy the electricity directly from the Company under PPAs with terms of up to 25 years. At the end of the lease term, the Company has the option to purchase the systems at fair value or may be required to remove the systems and return them to the third parties.

The Company has classified its sale-leaseback arrangements of solar power systems not involving integral equipment as operating leases. The deferred profit on the sale of these systems is recognized over the term of the lease. As of April 3, 2016, future minimum lease obligations associated with these systems was $84.8 million, which will be recognized over the minimum lease terms. Future minimum payments to be received from customers under PPAs associated with the solar power systems under sale-leaseback arrangements classified as operating leases will be recognized over the lease terms of up to 20 years and are contingent upon the amounts of energy produced by the solar power systems.

The Company enters into certain sale-leaseback arrangements under which the systems subject to the sale-leaseback arrangements have been determined to be integral equipment as defined under the accounting guidance for such transactions. The Company has continuing involvement with the solar power systems throughout the lease due to purchase option rights in the arrangements. As a result of such continuing involvement, the Company accounts for each of these transactions as a financing. Under the financing method, the proceeds received from the sale of the solar power systems are recorded by the Company as financing liabilities. The financing liabilities are subsequently reduced by the Company's payments to lease back the solar power systems, less interest expense calculated based on the Company's incremental borrowing rate adjusted to the rate required to prevent negative amortization. The solar power systems under the sale-leaseback arrangements remain on the Company's balance sheet and are classified within "Property, plant and equipment, net" (see Note 4). As of April 3, 2016, future minimum lease obligations for the sale-leaseback arrangements accounted for under the financing method were $102.5 million, which will be recognized over the lease terms of up to 20 years. During the three months ended April 3, 2016 and March 29, 2015 the Company had net financing proceeds of zero and $0.6 million, respectively, in connection with these sale-leaseback arrangements. As of April 3, 2016 and January 3, 2016 the carrying amount of the sale-leaseback financing liabilities, presented in "Other long-term liabilities" on the Company's Consolidated Balance Sheets, was $126.2 million and $125.3 million, respectively (see Note 4).

Note 6. ***FAIR VALUE MEASUREMENTS***

Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement (observable inputs are the preferred basis of valuation):

- Level 1 — Quoted prices in active markets for identical assets or liabilities.
- Level 2 — Measurements are inputs that are observable for assets or liabilities, either directly or indirectly, other than quoted prices included within Level 1.
- Level 3 — Prices or valuations that require management inputs that are both significant to the fair value measurement and unobservable.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The Company measures certain assets and liabilities at fair value on a recurring basis. There were no transfers between fair value measurement levels during any presented period. The Company did not have any assets or liabilities measured at fair value on a recurring basis requiring Level 3 inputs as of April 3, 2016 or January 3, 2016.

The following table summarizes the Company's assets and liabilities measured and recorded at fair value on a recurring basis as of April 3, 2016 and January 3, 2016:

	April 3, 2016			January 3, 2016		
(In thousands)	**Total**	**Level 1**	**Level 2**	**Total**	**Level 1**	**Level 2**
Assets						
Cash and cash equivalents[1]:						
Money market funds	$ 160,859	$ 160,859	$ —	$ 540,000	$ 540,000	$ —
Prepaid expenses and other current assets:						
Derivative financial instruments (Note 11)	5,819	—	5,819	8,734	—	8,734
Total assets	$ 166,678	$ 160,859	$ 5,819	$ 548,734	$ 540,000	$ 8,734
Liabilities						
Accrued liabilities:						
Derivative financial instruments (Note 11)	10,811	—	10,811	2,316	—	2,316
Other long-term liabilities:						
Derivative financial instruments (Note 11)	948	—	948	1,033	—	1,033
Total liabilities	$ 11,759	$ —	$ 11,759	$ 3,349	$ —	$ 3,349

[1] The Company's cash equivalents consist of money market fund instruments and commercial paper that are classified as available-for-sale and are highly liquid investments with original maturities of 90 days or less. The Company's money market fund instruments are categorized within Level 1 of the fair value hierarchy because they are valued using quoted market prices for identical instruments in active markets.

Other financial instruments, including the Company's accounts receivable, accounts payable and accrued liabilities, are carried at cost, which generally approximates fair value due to the short-term nature of these instruments.

Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

The Company measures certain investments and non-financial assets (including project assets, property, plant and equipment, and other intangible assets) at fair value on a non-recurring basis in periods after initial measurement in circumstances when the fair value of such asset is impaired below its recorded cost.

Held-to-Maturity Debt Securities

The Company's debt securities, classified as held-to-maturity, are Philippine government bonds that the Company maintains as collateral for business transactions within the Philippines. These bonds have various maturity dates and are classified as "Restricted long-term marketable securities" on the Company's Consolidated Balance Sheets. As of April 3, 2016 and January 3, 2016 these bonds had a carrying value of $6.6 million and $6.5 million, respectively. The Company records such held-to-maturity investments at amortized cost based on its ability and intent to hold the securities until maturity. The Company monitors for changes in circumstances and events that would affect its ability and intent to hold such securities until the recorded amortized costs are recovered. No other-than-temporary impairment loss was incurred during any presented period. The held-to-maturity debt securities were categorized in Level 2 of the fair value hierarchy.

Equity and Cost Method Investments

The Company holds equity investments in non-consolidated entities that are accounted for under both the equity and cost method. The Company monitors these investments, which are included in "Other long-term assets" in its Consolidated Balance Sheets, for impairment and records reductions in the carrying values when necessary. Circumstances that indicate an other-than-temporary decline include Level 2 and Level 3 measurements such as the valuation ascribed to the issuing company in subsequent financing rounds, decreases in quoted market prices, and declines in the results of operations of the issuer.

As of April 3, 2016 and January 3, 2016, the Company had $177.5 million and $186.4 million, respectively, in investments accounted for under the equity method (see Note 9). As of April 3, 2016 and January 3, 2016, the Company had $45.6 million and $36.4 million respectively, in investments accounted for under the cost method.

Note 7. *RESTRUCTURING*

During fiscal 2011, 2012 and 2014, the Company implemented approved restructuring plans, related to all segments, to align with changes in the global solar market which included the consolidation of the Company's Philippine manufacturing operations as well as actions to accelerate operating cost reduction and improve overall operating efficiency. These restructuring activities were substantially complete as of April 3, 2016; however, the Company expects to continue to incur costs as it finalizes previous estimates and actions in connection with these plans, primarily due to other costs, such as legal services.

The following table summarizes the restructuring charges recognized in the Company's Consolidated Statements of Operations:

	Three Months Ended		
(In thousands)	**April 3, 2016**	**March 29, 2015**	**Cumulative To Date**
Non-cash impairment charges	$ —	$ —	$ 61,320
Severance and benefits	—	1,931	61,599
Lease and related termination costs	—	—	6,984
Other costs[1]	96	1,650	13,633
Total restructuring charges	$ 96	$ 3,581	$ 143,536

The following table summarizes the restructuring reserve activity during the three months ended April 3, 2016:

	Three Months Ended			
(In thousands)	**January 3, 2016**	**Charges (Benefits)**	**Payments**	**April 3, 2016**
Severance and benefits	$ 395	$ —	$ 16	$ 411
Lease and related termination costs	743	—	(127)	616
Other costs[1]	685	96	(194)	587
Total restructuring liability	$ 1,823	$ 96	$ (305)	$ 1,614

[1] Other costs primarily represent associated legal services and costs of relocating employees.

Note 8. *COMMITMENTS AND CONTINGENCIES*

Facility and Equipment Lease Commitments

The Company leases certain facilities under non-cancellable operating leases from unaffiliated third parties. As of April 3, 2016, future minimum lease payments for facilities under operating leases were $47.5 million, to be paid over the remaining contractual terms of up to 8 years. The Company also leases certain buildings, machinery and equipment under non-cancellable capital leases. As of April 3, 2016, future minimum lease payments for assets under capital leases were $5.9 million, to be paid over the remaining contractual terms of up to 7 years.

Purchase Commitments

The Company purchases raw materials for inventory and manufacturing equipment from a variety of vendors. During the normal course of business, in order to manage manufacturing lead times and help assure adequate supply, the Company enters into agreements with contract manufacturers and suppliers that either allow them to procure goods and services based on specifications defined by the Company, or that establish parameters defining the Company's requirements. In certain instances, these agreements allow the Company the option to cancel, reschedule or adjust the Company's requirements based on its business needs before firm orders are placed. Consequently, not all of the Company's disclosed purchase commitments arising from these agreements are firm, non-cancellable, and unconditional commitments.

The Company also has agreements with several suppliers, including some of its non-consolidated investees, for the procurement of polysilicon, ingots, wafers, and Solar Renewable Energy Credits, among others, which specify future quantities and pricing of products to be supplied by the vendors for periods up to 10 years and provide for certain consequences, such as forfeiture of advanced deposits and liquidated damages relating to previous purchases, in the event that the Company terminates the arrangements.

Future purchase obligations under non-cancellable purchase orders and long-term supply agreements as of April 3, 2016 are as follows:

(In thousands)	Fiscal 2016 (remaining nine months)	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Thereafter	Total[1,2,3]
Future purchase obligations	$ 839,386	350,325	200,475	175,696	161,832	3,000	$ 1,730,714

[1] Total future purchase obligations as of April 3, 2016 include $181.2 million to related parties.

[2] Total future purchase obligations were composed of $249.3 million related to non-cancellable purchase orders and $1.5 billion related to long-term supply agreements.

[3] During fiscal 2015, we did not fulfill all of the purchase commitments we were otherwise obligated to take by December 31, 2015, as specified in related contracts with a supplier. As of April 3, 2016, the Company has recorded an offsetting asset, recorded within "Prepaid expenses and other current assets," and liability, recorded within "Accrued liabilities," totaling $50.6 million. This amount represents the unfulfilled amount as of that date as the Company expects to satisfy the obligation via purchases of inventory in fiscal 2016, within the applicable contractual cure period.

The Company expects that all obligations related to non-cancellable purchase orders for manufacturing equipment will be recovered through future cash flows of the solar cell manufacturing lines and solar panel assembly lines when such long-lived assets are placed in service. Factors considered important that could result in an impairment review include significant under-performance relative to expected historical or projected future operating results, significant changes in the manner of use of acquired assets, and significant negative industry or economic trends. Obligations related to non-cancellable purchase orders for inventories match current and forecasted sales orders that will consume these ordered materials and actual consumption of these ordered materials are compared to expected demand regularly. The Company anticipates total obligations related to long-term supply agreements for inventories will be recovered because quantities are less than management's expected demand for its solar power products. The terms of the long-term supply agreements are reviewed by management and the Company assesses the need for any accruals for estimated losses on adverse purchase commitments, such as lower of cost or market value adjustments that will not be recovered by future sales prices, forfeiture of advanced deposits and liquidated damages, as necessary.

Advances to Suppliers

As noted above, the Company has entered into agreements with various vendors, some of which are structured as "take or pay" contracts, that specify future quantities and pricing of products to be supplied. Certain agreements also provide for penalties or forfeiture of advanced deposits in the event the Company terminates the arrangements. Under certain agreements, the Company was required to make prepayments to the vendors over the terms of the arrangements. As of April 3, 2016 and January 3, 2016, advances to suppliers totaled $347.2 million and $359.1 million, respectively, of which $95.4 million and $85.0 million, respectively, is classified as short-term in the Company's Consolidated Balance Sheets. Two suppliers accounted for 84% and 15% of total advances to suppliers, respectively, as of April 3, 2016, and 82% and 16%, respectively, as of January 3, 2016.

Advances from Customers

The Company has entered into other agreements with customers who have made advance payments for solar power products and systems. These advances will be applied as shipments of product occur or upon completion of certain project milestones. The estimated utilization of advances from customers as of April 3, 2016 is as follows:

(In thousands)	Fiscal 2016 (remaining nine months)	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Thereafter	Total
Estimated utilization of advances from customers	$ 19,267	36,319	27,039	28,842	43,263	—	$ 154,730

In fiscal 2010, the Company and its joint venture, AUO SunPower Sdn. Bhd. ("AUOSP"), entered into an agreement under which the Company resells to AUOSP polysilicon purchased from a third-party supplier. Advance payments provided by AUOSP related to such polysilicon are then made by the Company to the third-party supplier. These advance payments are applied as a credit against AUOSP's polysilicon purchases from the Company. Such polysilicon is used by AUOSP to manufacture solar cells that are sold to the Company on a "cost-plus" basis. As of April 3, 2016 and January 3, 2016, outstanding advance payments received from AUOSP totaled $143.2 million and $148.9 million, respectively, of which $23.8 million and $22.7 million, respectively, was classified as short-term in the Company's Consolidated Balance Sheets, based on projected product shipment dates.

Product Warranties

The following table summarizes accrued warranty activity for the three months ended April 3, 2016 and March 29, 2015, respectively:

	Three Months Ended	
(In thousands)	April 3, 2016	March 29, 2015
Balance at the beginning of the period	$ 164,127	$ 154,648
Accruals for warranties issued during the period	5,879	8,161
Settlements and adjustments during the period	(3,566)	(8,711)
Balance at the end of the period	$ 166,440	$ 154,098

Contingent Obligations

Project agreements entered into with the Company's Commercial and Power Plant customers often require the Company to undertake obligations including: (i) system output performance warranties; (ii) system maintenance; (iii) penalty payments or customer termination rights if the system the Company is constructing is not commissioned within specified timeframes or other milestones are not achieved; and (iv) system put-rights whereby the Company could be required to buy back a customer's system at fair value on specified future dates if certain minimum performance thresholds are not met for specified periods. Historically, the Company's systems have performed significantly above the performance warranty thresholds, and there have been no cases in which the Company has had to buy back a system.

Future Financing Commitments

The Company is required to provide certain funding under the joint venture agreement with AU Optronics Singapore Pte. Ltd. ("AUO") and other unconsolidated investees, subject to certain conditions (see Note 9). As of April 3, 2016, the Company's financing obligations related to these agreements are as follows:

(In thousands)	Amount
Year	
2016 (remaining 9 months)	179,632
2017	3,169
	$ 182,801

Liabilities Associated with Uncertain Tax Positions

Total liabilities associated with uncertain tax positions were $42.8 million and $43.3 million as of April 3, 2016 and January 3, 2016, respectively. These amounts are included in "Other long-term liabilities" in the Company's Consolidated Balance Sheets in their respective periods as they are not expected to be paid within the next 12 months. Due to the complexity and uncertainty associated with its tax positions, the Company cannot make a reasonably reliable estimate of the period in

which cash settlement, if any, would be made for its liabilities associated with uncertain tax positions in other long-term liabilities.

Indemnifications

The Company is a party to a variety of agreements under which it may be obligated to indemnify the counterparty with respect to certain matters. Typically, these obligations arise in connection with contracts and license agreements or the sale of assets, under which the Company customarily agrees to hold the other party harmless against losses arising from a breach of warranties, representations and covenants related to such matters as title to assets sold, negligent acts, damage to property, validity of certain intellectual property rights, non-infringement of third-party rights, and certain tax related matters including indemnification to customers under §48(c) solar commercial investment tax credit ("ITC") and U.S. Treasury Department ("Treasury Department") grant payments under Section 1603 of the American Recovery and Reinvestment Act (each a "Cash Grant"). In each of these circumstances, payment by the Company is typically subject to the other party making a claim to the Company that is contemplated by and valid under the indemnification provisions of the particular contract, which provisions are typically contract-specific, as well as bringing the claim under the procedures specified in the particular contract. These procedures usually allow the Company to challenge the other party's claims or, in case of breach of intellectual property representations or covenants, to control the defense or settlement of any third party claims brought against the other party. Further, the Company's obligations under these agreements may be limited in terms of activity (typically to replace or correct the products or terminate the agreement with a refund to the other party), duration and/or amounts. In some instances, the Company may have recourse against third parties and/or insurance covering certain payments made by the Company.

In certain circumstances the Company has provided indemnification to customers and investors under which the Company is contractually obligated to compensate these parties for losses they may suffer as a result of reductions in benefits received under ITC and Treasury Cash Grant programs. The Company applies for ITC and Cash Grant incentives based on guidance provided by the Internal Revenue Service ("IRS") and the Treasury Department, which include assumptions regarding the fair value of the qualified solar power systems, among others. Certain of the Company’s development agreements, sale-leaseback arrangements, and financing arrangements with tax equity investors, incorporate assumptions regarding the future level of incentives to be received, which in some instances may be claimed directly by its customers and investors. Generally, such obligations would arise as a result of reductions to the value of the underlying solar power systems as assessed by the IRS. At each balance sheet date, the Company assesses and recognizes, when applicable, the potential exposure from these obligations based on all the information available at that time, including any audits undertaken by the IRS. The maximum potential future payments that the Company could have to make under this obligation would depend on the difference between the eligible basis claimed on the tax filing for the solar energy systems sold or transferred to indemnified parties and the values that the IRS may redetermine as the eligible basis for the systems for purposes of claiming ITCs or U.S. Treasury grants. The Company uses eligible basis for tax filing purposes determined with the assistance of independent third-party appraisals to determine the ITCs that are passed-through to and claimed by the indemnified parties. Since the Company cannot determine future revisions to Treasury Department guidelines governing system values, how the IRS will evaluate system values used in claiming ITCs, or U.S. Treasury grants, or how its customers and investors have utilized these benefits in their own filings, the Company is unable to reliably estimate the maximum potential future payments that it could have to make under the Company’s contractual investor obligation as of each reporting date.

Defined Benefit Pension Plans

The Company maintains defined benefit pension plans for the majority of its non-U.S. employees. Benefits under these plans are generally based on an employee’s years of service and compensation. Funding requirements are determined on an individual country and plan basis and are subject to local country practices and market circumstances. The funded status of the pension plans, which represents the difference between the benefit obligation and fair value of plan assets, is calculated on a plan-by-plan basis. The benefit obligation and related funded status are determined using assumptions as of the end of each fiscal year. The Company recognizes the overfunded or underfunded status of its pension plans as an asset or liability on its Consolidated Balance Sheets. As of April 3, 2016 and January 3, 2016, the underfunded status of the Company’s pension plans, presented in "Other long-term liabilities" on the Company’s Consolidated Balance Sheets, was $13.1 million and $12.0 million, respectively. The impact of transition assets and obligations and actuarial gains and losses are recorded in "Accumulated other comprehensive loss", and are generally amortized as a component of net periodic cost over the average remaining service period of participating employees. Total other comprehensive gain related to the Company’s benefit plans was zero for the three months ended April 3, 2016.

Legal Matters

Tax Benefit Indemnification Litigation

On March 19, 2014, a lawsuit was filed by NRG Solar LLC, now known as NRG Renew LLC (“NRG”), against SunPower Corporation, Systems, a wholly-owned subsidiary of the Company (“SunPower Systems”), in the Superior Court of Contra Costa County, California. The complaint asserts that, according to the indemnification provisions in the contract pertaining to SunPower Systems’ sale of a large California solar project to NRG, SunPower Systems owes NRG $75.0 million in connection with certain tax benefits associated with the project that were approved by the Treasury Department for an amount that was less than expected. The Company does not believe that the facts support NRG’s claim under the operative indemnification provisions and is vigorously contesting the claim. Additionally, SunPower Systems filed a cross-complaint against NRG seeking damages in excess of $7.5 million for breach of contract and related claims arising from NRG’s failure to fulfill its obligations under the contract, including its obligation to take “reasonable, available steps” to engage the Treasury Department. The Company is currently unable to determine if the resolution of this matter will have a material effect on the Company's consolidated financial statements.

First Philec Arbitration

On January 28, 2015, an arbitral tribunal of the International Court of Arbitration of the International Chamber of Commerce issued a first partial award in the matter of an arbitration between First Philippine Electric Corporation ("FPEC") and First Philippine Solar Corporation ("FPSC") against SunPower Philippines Manufacturing, Ltd. ("SPML"), our wholly-owned subsidiary. FPSC is a joint venture of FPEC and SPML for the purpose of slicing silicon wafers from ingots. The tribunal found SPML in breach of its obligations under its supply agreement with FPSC, and in breach of its joint venture agreement with FPEC. In its first partial award, the tribunal ordered that (i) SPML must purchase FPEC’s interests in FPSC for an aggregate of $30.3 million, and (ii) after completing the purchase of FPEC’s controlling interest in FPSC, SPML must pay FPSC damages in the amount of $25.2 million. The arbitral tribunal issued its second partial award dated July 14, 2015, which ordered that (i) the price payable by SPML to FPEC for its interests in FPSC be reduced from $30.3 million to $23.2 million, (ii) FPEC’s request for interest is refused, and (iii) the payment and transfer of shares between FPEC and SPML is to take place in accordance with the procedure agreed between the parties. The tribunal issued its final award dated September 30, 2015, which ordered that (i) each side should bear its own costs and attorneys' fees, and (ii) the arbitration costs should be split between the parties evenly.

SPML has filed a challenge to both the first and second partial awards with the High Court in Hong Kong. The hearing on the challenge is scheduled for June 14 and 15, 2016 in Hong Kong. SPML has also filed applications to the Court in the Philippines to: (i) prevent FPSC or FPEC from enforcing the awards pending the outcome of the challenge in Hong Kong; and (ii) gain access to FPSC's books and records. The application to prevent enforcement of the award has not been ruled on. The application for access was granted, and the inspection of FPSC's books is ongoing.

As of April 3, 2016, the Company recorded an accrual of $48.4 million related to this matter based on the Company's best estimate of probable loss.

AUO Arbitration

On April 17, 2015, SunPower Technology Ltd. ("SPTL"), a wholly-owned subsidiary, commenced an arbitration before the ICC International Court of Arbitration against AUO and AU Optronics Corporation, the ultimate parent company of AUO ("AUO Corp.," and together with AUO, the “AUO Group”), for breaches of the AUOSP Joint Venture Agreement and associated agreements (the "JVA"). SPTL’s claim alleges that, among other things, the AUO Group has sold solar modules containing cells manufactured by AUOSP in violation of provisions in the JVA that set geographical restrictions on sales activities as well as provisions that restrict each party’s use of the other’s confidential information. SPTL seeks approximately $23.0 million in damages, as well as the right to purchase AUO's shares in SPTL at 70% of “fair market value” determined as provided under the JVA.

On June 23, 2015, the AUO Group filed and served its formal Memorial of Claim and Counterclaims against SPTL and the Company (collectively, the "SunPower Group"). In its counterclaim, the AUO Group alleges breach of contract, breach of covenant of good faith and fair dealing, several tort causes of action, and improper use of the AUO Group’s proprietary manufacturing expertise. The AUO Group seeks $20.0 million in lost profits and $48.0 million in disgorgement from the SunPower Group, and an order requiring SPTL to purchase AUO’s shares in SPTL at 150% of “fair market value” determined as provided under the JVA. The hearing for the arbitration has not been set. Depending upon the outcome of this matter and other related factors, it is possible that SPTL's investment in AUOSP may not be fully recoverable. Based on the significant uncertainties that currently exist, the Company is currently unable to determine whether the resolution of this matter will have a material effect on the Company’s consolidated financial statements.

Other Litigation

The Company is also a party to various other litigation matters and claims that arise from time to time in the ordinary course of its business. While the Company believes that the ultimate outcome of such matters will not have a material adverse effect on the Company, their outcomes are not determinable and negative outcomes may adversely affect the Company's financial position, liquidity or results of operations.

Note 9. *EQUITY METHOD INVESTMENTS*

As of April 3, 2016 and January 3, 2016, the Company's carrying value of its equity method investments totaled $177.5 million and $186.4 million, respectively, and is classified as "Other long-term assets" in its Consolidated Balance Sheets. The Company's share of its earnings (loss) from equity method investments is reflected as "Equity in earnings of unconsolidated investees" in its Consolidated Statements of Operations.

Equity Investment and Joint Venture with AUOSP

In fiscal 2010, the Company, AUO and AUO Corp. formed the joint venture AUOSP. The Company and AUO each own 50% of AUOSP. AUOSP owns a solar cell manufacturing facility in Malaysia and manufactures solar cells and sells them on a "cost-plus" basis to the Company and AUO.

In connection with the joint venture agreement, the Company and AUO also entered into licensing and joint development, supply, and other ancillary transaction agreements. Through the licensing agreement, the Company and AUO licensed to AUOSP, on a non-exclusive, royalty-free basis, certain background intellectual property related to solar cell manufacturing (in the case of the Company) and manufacturing processes (in the case of AUO). Under the seven-year supply agreement with AUOSP, renewable by the Company for one-year periods thereafter, the Company is committed to purchase 80% of AUOSP's total annual output allocated on a monthly basis to the Company. The Company and AUO have the right to reallocate supplies from time to time under a written agreement. In fiscal 2010, the Company and AUOSP entered into an agreement under which the Company will resell to AUOSP polysilicon purchased from a third-party supplier and AUOSP will provide prepayments to the Company related to such polysilicon, which prepayment will then be made by the Company to the third-party supplier.

The Company and AUO are not permitted to transfer any of AUOSP's shares held by them, except to each other. The Company and AUO agreed to each contribute additional amounts through fiscal 2016 amounting to $169.0 million, or such lesser amount as the parties may mutually agree. In addition, if AUOSP, the Company or AUO requests additional equity financing to AUOSP, then the Company and AUO will each be required to make additional cash contributions of up to $50.0 million in the aggregate.

The Company has concluded that it is not the primary beneficiary of AUOSP since, although the Company and AUO are both obligated to absorb losses or have the right to receive benefits, the Company alone does not have the power to direct the activities of AUOSP that most significantly impact its economic performance. In making this determination the Company considered the shared power arrangement, including equal board governance for significant decisions, elective appointment, and the fact that both parties contribute to the activities that most significantly impact the joint venture's economic performance. The Company accounts for its investment in AUOSP using the equity method as a result of the shared power arrangement. As of April 3, 2016, the Company's maximum exposure to loss as a result of its equity investment in AUOSP is limited to the carrying value of the investment. As of April 3, 2016 and January 3, 2016, the Company's investment in AUOSP had a carrying value of $205.1 million and $202.3 million, respectively.

Equity Investment in Huaxia CPV (Inner Mongolia) Power Co., Ltd. ("CCPV")

In December 2012, the Company entered into an agreement with Tianjin Zhonghuan Semiconductor Co. Ltd., Inner Mongolia Power Group Co. Ltd. and Hohhot Jinqiao City Development Company Co., Ltd. to form CCPV, a jointly owned entity to manufacture and deploy the Company's LCPV concentrator technology in Inner Mongolia and other regions in China. CCPV is based in Hohhot, Inner Mongolia. The establishment of the entity was subject to approval of the Chinese government, which was received in the fourth quarter of fiscal 2013. In December 2013, the Company made a $16.4 million equity investment in CCPV, for a 25% equity ownership.

The Company has concluded that it is not the primary beneficiary of CCPV since, although the Company is obligated to absorb losses and has the right to receive benefits, the Company alone does not have the power to direct the activities of CCPV

that most significantly impact its economic performance. The Company accounts for its investment in CCPV using the equity method since the Company is able to exercise significant influence over CCPV due to its board position.

Equity Investment in Diamond Energy Pty Ltd. ("Diamond Energy")

In October 2012, the Company made a $3.0 million equity investment in Diamond Energy, an alternative energy project developer and clean electricity retailer headquartered in Melbourne, Australia, in exchange for a 25% equity ownership.

The Company has concluded that it is not the primary beneficiary of Diamond Energy since, although the Company is obligated to absorb losses and has the right to receive benefits, the Company alone does not have the power to direct the activities of Diamond that most significantly impact its economic performance. The Company accounts for its investment in Diamond using the equity method since the Company is able to exercise significant influence over Diamond due to its board position.

Equity Investment in 8point3 Energy Partners

In June 2015, 8point3 Energy Partners, a joint YieldCo vehicle formed by the Company and First Solar, Inc. ("First Solar" and, together with the Company, the "Sponsors") to own, operate and acquire solar energy generation assets, consummated its initial public offering ("IPO") and its Class A shares are now listed on the NASDAQ Global Select Market under the trading symbol “CAFD”.

Immediately after the IPO, the Company contributed a portfolio of solar generation assets (the "SPWR Projects") to 8point3 Operating Company, LLC ("OpCo"), 8point3 Energy Partners' primary operating subsidiary. In exchange for the SPWR Projects, the Company received cash proceeds of $371 million as well as equity interests in several 8point3 Energy Partners affiliated entities: primarily common and subordinated units representing a 40.7% stake in OpCo and a 50.0% economic and management stake in 8point3 Holding Company, LLC (“Holdings”), the parent company of the general partner of 8point3 Energy Partners and the owner of incentive distribution rights (“IDRs”) in OpCo. Holdings, OpCo, 8point3 Energy Partners and their respective subsidiaries are referred to herein as the “8point3 Group.” Additionally, pursuant to a Right of First Offer Agreement between the Company and OpCo, the 8point3 Group has rights of first offer on interests in an additional portfolio of the Company’s solar energy projects that are currently contracted or are expected to be contracted before being sold by the Company to other parties (the “ROFO Projects”). In connection with the IPO, the Company also entered into O&M, asset management and management services agreements with the 8point3 Group. The services the Company provides under these agreements are priced consistently with market rates for such services and the agreements are terminable by the 8point3 Group for convenience.

The Company has concluded that it is not the primary beneficiary of the 8point3 Group or any of its individual subsidiaries since, although the Sponsors are both obligated to absorb losses or have the right to receive benefits, the Company alone does not have the power to direct the activities of the 8point3 Group that most significantly impact its economic performance. In making this determination the Company considered, among other factors, the equal division between the Sponsors of management rights in the 8point3 Group and the corresponding equal influence over its significant decisions, the role and influence of the independent directors on the board of directors of the general partner of 8point3 Energy Partners, and how both Sponsors contribute to the activities that most significantly impact the 8point3 Group's economic performance. The Company accounts for its investment in the 8point3 Group using the equity method because the Company determined that, notwithstanding the division of management and ownership interests between the Sponsors, the Company exercises significant influence over the operations of the 8point3 Group.

Future quarterly distributions from OpCo are subject to certain forbearance and subordination periods. During the forbearance period, the Sponsors have agreed to forego any distributions declared on their common and subordinated units. The forbearance period will end when, on or after March 1, 2016, the board of directors of the general partner of 8point3 Energy Partners, with the concurrence of its conflicts committee, determines that OpCo will be able to earn and pay at least the minimum quarterly distribution on each of its outstanding common and subordinated units for such quarter and the successive quarter. As of April 3, 2016, the forbearance period remained in effect.

During the subordination period, holders of the subordinated units are not entitled to receive any distributions until the common units have received their minimum quarterly distribution plus any arrearages in the payment of minimum distributions from prior quarters. Approximately 70% of the Company’s OpCo units are subject to subordination. The subordination period will end after OpCo has earned and paid minimum quarterly distributions for three years ending on or after August 31, 2018 and there are no outstanding arrearages on common units. Notwithstanding the foregoing, the subordination period could end after OpCo has earned and paid 150% of minimum quarterly distributions, plus the related distribution on the incentive

distribution rights, for one year ending on or after August 31, 2016 and there are no outstanding arrearages on common units. At the end of the subordination period, all subordinated units will convert to common units on a one-for-one basis. The Company also, through its interests in Holdings, holds IDRs in OpCo, which represent rights to incremental distributions after certain distribution thresholds are met.

In June 2015, OpCo entered into a $525.0 million senior secured credit facility, consisting of a $300.0 million term loan facility, a $25.0 million delayed draw term loan facility, and a $200.0 million revolving credit facility (the “8point3 Credit Facility”). Proceeds from the term loan were used to make initial distributions to the Sponsors. The 8point3 Credit Facility is secured by a pledge of the Sponsors’ equity interests in OpCo.

Under relevant guidance for leasing transactions, the Company treated the portion of the sale of the residential lease portfolio originally sold to the 8point3 Group in connection with the IPO transaction, composed of operating leases and unguaranteed sales-type lease residual values, as a borrowing and reflected the cash proceeds attributable to this portion of the residential lease portfolio as liabilities recorded within “Accrued liabilities” and “Other long-term liabilities” in the Consolidated Balance Sheets (see Note 4). As of April 3, 2016 and January 3, 2016 the operating leases and the unguaranteed sales-type lease residual values which were sold to the 8point3 Group had an aggregate carrying value of $77 million and $78 million, respectively, on the Company's Consolidated Balance Sheets.

During the first quarter of fiscal 2016, the Company sold its first two ROFO Projects to 8point3 Energy Partners, comprised of the 60 MW Hooper utility-scale power plant in Colorado and a 20 MW commercial project. The Company accounted for the sale of Hooper as a partial sale of real estate and recognized revenue equal to its total project costs. No profit on the sale of Hooper was recognized as unconditional cash proceeds did not exceed total project costs, and the derecognition resulted in a net $8.7 million reduction in the carrying value of the Company’s investments in the 8point3 Group. The remaining project has not yet reached its commercial operations date and therefore, the Company continues to record the project on its Consolidated Balance Sheet as of April 3, 2016. Please refer to the treatment outlined in "Item 1. Financial Statements—Notes to Consolidated Financial Statements—Note 3. 8point3 Energy Partners LP" in our Annual Report on Form 10-K for the fiscal year ended January 3, 2016 for further information related to the Company's accounting for transactions with the 8point3 Group. The net cash proceeds from the sales of these projects to the 8point3 Group as well as related proceeds from tax equity investors were classified as operating cash inflows in the Consolidated Statement of Cash Flows.

As of April 3, 2016 and January 3, 2016, the Company's investment in the 8point3 Group had a negative carrying value of $41.0 million and $30.9 million, respectively, resulting from the continued deferral of profit recognition for projects sold to the 8point3 Group that included the sale or lease of real estate.

Related-Party Transactions with Investees:

	As of	
(In thousands)	**April 3, 2016**	**January 3, 2016**
Accounts receivable	$ 19,116	$ 32,389
Other long-term assets	$ 1,534	$ 1,455
Accounts payable	$ 40,032	$ 42,080
Accrued liabilities	$ 4,887	$ 9,952
Customer advances	$ —	$ 710
Other long-term liabilities	$ 29,400	$ 29,389

	Three Months Ended	
(In thousands)	**April 3, 2016**	**March 29, 2015**
Payments made to investees for products/services	$ 123,630	$ 119,177
Revenues and fees received from investees for products/services[1]	$ 114,645	$ 5,603

[1] Includes a portion of proceeds received from tax equity investors in connection with 8point3 transactions.

Cost Method Investment in Tendril Networks, Inc.

In November 2014, the Company purchased $20.0 million of preferred stock constituting a minority stake in Tendril Networks, Inc. ("Tendril"), accounted for under the cost method because the preferred stock was deemed not to be in-substance common stock. In connection with the investment, the Company acquired warrants to purchase up to approximately 14 million

shares of Tendril common stock exercisable through November 23, 2024. The number of shares of Tendril common stock that may be purchased pursuant to the warrants is subject to the Company's and Tendril's achievement of certain financial and operational milestones and other conditions.

In connection with the initial investment in Tendril, the Company also entered into commercial agreements with Tendril under a Master Services Agreement and related Statements of Work. Under these commercial agreements, Tendril will use up to $13.0 million of the Company's initial investment to develop, jointly with the Company, certain solar software solution products.

Note 10. ***DEBT AND CREDIT SOURCES***

The following table summarizes the Company's outstanding debt on its Consolidated Balance Sheets:

	April 3, 2016				January 3, 2016			
(In thousands)	**Face Value**	**Short-term**	**Long-term**	**Total**	**Face Value**	**Short-term**	**Long-term**	**Total**
Convertible debt:								
4.00% debentures due 2023	$ 425,000	$ —	$ 416,525	$ 416,525	$ 425,000	$ —	$ 416,369	$ 416,369
0.875% debentures due 2021	400,000	—	396,584	396,584	400,000	—	396,424	396,424
0.75% debentures due 2018	300,000	—	298,357	298,357	300,000	—	298,167	298,167
IFC mortgage loan	25,000	14,993	9,366	24,359	32,500	14,994	16,778	31,772
CEDA loan	30,000	—	27,898	27,898	30,000	—	27,778	27,778
Non-recourse financing and other debt[1]	506,713	47,214	456,181	503,395	435,963	4,642	429,981	434,623
	$ 1,686,713	$ 62,207	$ 1,604,911	$ 1,667,118	$ 1,623,463	$ 19,636	$ 1,585,497	$ 1,605,133

[1] Other debt excludes payments related to capital leases, which are disclosed in Note 8.

As of April 3, 2016, the aggregate future contractual maturities of the Company's outstanding debt, at face value, were as follows:

(In thousands)	**Fiscal 2016 (remaining nine months)**	**Fiscal 2017**	**Fiscal 2018**	**Fiscal 2019**	**Fiscal 2020**	**Thereafter**	**Total**
Aggregate future maturities of outstanding debt	$ 53,391	34,564	334,750	20,198	29,841	1,213,969	$ 1,686,713

Convertible Debt

The following table summarizes the Company's outstanding convertible debt:

(In thousands)	April 3, 2016			January 3, 2016		
	Carrying Value	Face Value	Fair Value[1]	Carrying Value	Face Value	Fair Value[1]
Convertible debt:						
4.00% debentures due 2023	$ 416,525	$ 425,000	$ 432,663	$ 416,369	$ 425,000	$ 515,903
0.875% debentures due 2021	396,584	400,000	$ 310,180	396,424	400,000	340,500
0.75% debentures due 2018	298,357	300,000	321,000	298,167	300,000	396,792
	$ 1,111,466	$ 1,125,000	$ 1,063,843	$ 1,110,960	$ 1,125,000	$ 1,253,195

[1] The fair value of the convertible debt was determined using Level 2 inputs based on quarterly market prices as reported by an independent pricing source.

The Company's outstanding convertible debentures are senior, unsecured obligations of the Company, ranking equally with all existing and future senior unsecured indebtedness of the Company.

4.00% Debentures Due 2023

In December 2015, the Company issued $425.0 million in principal amount of its 4.00% debentures due 2023. Interest is payable semi-annually, beginning on July 15, 2016. Holders may exercise their right to convert the debentures at any time into shares of the Company's common stock at an initial conversion price approximately equal to $30.53 per share, subject to adjustment in certain circumstances. If not earlier repurchased or converted, the 4.00% debentures due 2023 mature on January 15, 2023.

0.875% Debentures Due 2021

In June 2014, the Company issued $400.0 million in principal amount of its 0.875% debentures due 2021. Interest is payable semi-annually, beginning on December 1, 2014. Holders may exercise their right to convert the debentures at any time into shares of the Company's common stock at an initial conversion price approximately equal to $48.76 per share, subject to adjustment in certain circumstances. If not earlier repurchased or converted, the 0.875% debentures due 2021 mature on June 1, 2021.

0.75% Debentures Due 2018

In May 2013, the Company issued $300.0 million in principal amount of its 0.75% debentures due 2018. Interest is payable semi-annually, beginning on December 1, 2013. Holders may exercise their right to convert the debentures at any time into shares of the Company's common stock at an initial conversion price approximately equal to $24.95 per share, subject to adjustment in certain circumstances. If not earlier repurchased or converted, the 0.75% debentures due 2018 mature on June 1, 2018.

4.50% Debentures Due 2015

In 2010, the Company issued $250.0 million in principal amount of its 4.50% senior cash convertible debentures ("4.50% debentures due 2015"). Interest was payable semi-annually, beginning on September 15, 2010. The 4.50% debentures due 2015 were convertible only into cash, and not into shares of the Company's common stock (or any other securities) at a conversion price of $22.53 per share. The 4.50% debentures due 2015 matured on March 15, 2015. During March 2015, the Company paid holders an aggregate of $324.3 million in cash in connection with the settlement of the outstanding 4.50% debentures due 2015. No 4.50% debentures due 2015 remained outstanding after the maturity date.

The embedded cash conversion option was a derivative instrument (derivative liability) that was required to be separated from the 4.50% debentures due 2015. The fair value of the derivative liability is classified within "Other long-term liabilities" on the Company's Consolidated Balance Sheets. Changes in the fair value of the derivative liability were reported in the Company's Consolidated Statements of Operations until the 4.50% debentures due 2015 matured in March 2015.

During the three months ended March 29, 2015, the Company recognized a non-cash loss of $52.0 million, recorded in "Other, net" in the Company's Consolidated Statements of Operations to recognize the change in fair value prior to the expiration of the embedded cash conversion option.

Call Spread Overlay with Respect to 4.50% Debentures

Concurrently with the issuance of the 4.50% debentures due 2015, the Company entered into privately-negotiated convertible debenture hedge transactions (collectively, the "4.50% Bond Hedge") and warrant transactions (collectively, the "4.50% Warrants" and together with the 4.50% Bond Hedge, the “CSO2015” transactions), with certain of the initial purchasers of the 4.50% debentures due 2015 or their affiliates. The CSO2015 transactions represented a call spread overlay with respect to the 4.50% debentures due 2015, whereby the cost of the 4.50% Bond Hedge purchased by the Company to cover the cash outlay upon conversion of the debentures is reduced by the sales prices of the 4.50% Warrants. The transactions effectively reduced the Company's potential payout over the principal amount on the 4.50% debentures due 2015 upon conversion of the 4.50% debentures due 2015.

Under the terms of the 4.50% Bond Hedge, the Company bought options to acquire, at an exercise price of $22.53 per share, subject to customary adjustments for anti-dilution and other events, cash in an amount equal to the market value of up to 11.1 million shares of the Company's common stock.

Each 4.50% Bond Hedge was a separate transaction, entered into by the Company with each counterparty, and was not part of the terms of the 4.50% debentures due 2015. The 4.50% Bond Hedge, which was indexed to the Company's common stock, was a derivative instrument that required mark-to-market accounting treatment due to the cash settlement features until the 4.50% Bond Hedge settled in March 2015. During March 2015, the Company exercised its rights under the 4.50% Bond Hedge, resulting in a payment to the Company of $74.6 million.

During the three months ended March 29, 2015, the Company recognized a non-cash gain of $52.0 million, recorded in "Other, net" in the Company's Consolidated Statements of Operations related to recognize the change in fair value before settlement of the 4.50% Bond Hedge.

In connection with the 4.50% Warrants, the Company entered into warrant confirmations (collectively, and as amended from time to time, the “2015 Warrant Confirms”) with Deutsche Bank AG, London Branch, Bank of America, N.A., Barclays Bank PLC and Credit Suisse International providing for the acquisition, subject to anti-dilution adjustments, of up to approximately 11.1 million shares of the Company's common stock via net share settlement. Each 4.50% Warrant transaction was a separate transaction, entered into by the Company with each counterparty, and was not part of the terms of the 4.50% debentures due 2015.

During the second quarter of fiscal 2015, the Company entered into separate partial unwind agreements with each of Deutsche Bank AG, London Branch; Bank of America, N.A.; Barclays Bank PLC; and Credit Suisse International in order to reduce the number of warrants issued pursuant to the 2015 Warrant Confirms. Pursuant to the terms of these partial unwind agreements, the Company issued an aggregate of approximately 3.0 million shares of common stock to settle all of the warrants under the 2015 Warrant Confirms. Accordingly, as of April 3, 2016, no 4.50% Warrants remained outstanding.

Other Debt and Credit Sources

Mortgage Loan Agreement with IFC

In May 2010, the Company entered into a mortgage loan agreement with IFC. Under the loan agreement, the Company borrowed $75.0 million and is required to repay the amount borrowed starting two years after the date of borrowing, in 10 equal semi-annual installments. The Company is required to pay interest of LIBOR plus 3% per annum on outstanding borrowings; a front-end fee of 1% on the principal amount of borrowings at the time of borrowing; and a commitment fee of 0.5% per annum on funds available for borrowing and not borrowed. The Company may prepay all or a part of the outstanding principal, subject to a 1% prepayment premium. The Company has pledged certain assets as collateral supporting its repayment obligations (see Note 4). As of both April 3, 2016 and January 3, 2016, the Company had restricted cash and cash equivalents of $9.2 million related to the IFC debt service reserve, which is the amount, as determined by IFC, equal to the aggregate principal and interest due on the next succeeding interest payment date.

Loan Agreement with California Enterprise Development Authority ("CEDA")

In 2010, the Company borrowed the proceeds of the $30.0 million aggregate principal amount of CEDA's tax-exempt Recovery Zone Facility Revenue Bonds (SunPower Corporation - Headquarters Project) Series 2010 (the "Bonds") maturing April 1, 2031 under a loan agreement with CEDA. The Bonds mature on April 1, 2031, bear interest at a fixed rate of 8.50% through maturity, and include customary covenants and other restrictions on the Company.

Revolving Credit Facility with Credit Agricole

In July 2013, the Company entered into a revolving credit facility with Credit Agricole, as administrative agent, and certain financial institutions, under which the Company may borrow up to $250.0 million. On August 26, 2014, the Company entered into an amendment to the revolving credit facility that, among other things, extends the maturity date of the facility from July 3, 2016 to August 26, 2019 (the "Maturity Date"). Amounts borrowed may be repaid and reborrowed until the Maturity Date. On February 17, 2016, the Company entered into an amendment to the credit agreement, expanding the available borrowings under the revolving credit facility to $300.0 million and adding a $200.0 million letter of credit subfacility, subject to the satisfaction of certain conditions. The revolving credit facility includes representations, covenants, and events of default customary for financing transactions of this type.

The revolving credit facility was entered into in conjunction with the delivery by Total S.A. of a guarantee of the Company's obligations under the related facility. On January 31, 2014, as contemplated by the facility, (i) the Company's obligations under the facility became secured by a pledge of certain accounts receivable and inventory; (ii) certain of the Company's subsidiaries entered into guarantees of the facility; and (iii) Total S.A.'s guarantee of the Company's obligations under the facility expired.

After January 31, 2014, the Company is required to pay interest on outstanding borrowings and fees of (a) with respect to any LIBOR rate loan, an amount ranging from 1.50% to 2.00% (depending on the Company's leverage ratio from time to time) plus the LIBOR rate divided by a percentage equal to one minus the stated maximum rate of all reserves required to be maintained against "Eurocurrency liabilities" as specified in Regulation D; (b) with respect to any alternate base rate loan, an amount ranging from 0.50% to 1.00% (depending on the Company's leverage ratio from time to time) plus the greater of (1) the prime rate, (2) the Federal Funds rate plus 0.50%, and (3) the one-month LIBOR rate plus 1%; and (c) a commitment fee ranging from 0.25% to 0.35% (depending on the Company's leverage ratio from time to time) per annum on funds available for borrowing and not borrowed. The Company will be required to pay interest on letters of credit under the agreement of (a) with respect to any performance letter of credit, an amount ranging from 0.90% to 1.20% (depending on the Company’s leverage ratio from time to time); and (b) with respect to any other letter of credit, an amount ranging from 1.50% to 2.00% (depending on the Company’s leverage ratio from time to time).

As of April 3, 2016, the Company had $37.6 million of outstanding borrowings under the revolving credit facility, all of which were related to letters of credit. The Company had no outstanding borrowings under the revolving credit facility as of January 3, 2016.

August 2011 Letter of Credit Facility with Deutsche Bank

In August 2011, the Company entered into a letter of credit facility agreement with Deutsche Bank, as administrative agent, and certain financial institutions. Payment of obligations under the letter of credit facility is guaranteed by Total S.A. pursuant to the Credit Support Agreement (see Note 2). The letter of credit facility provides for the issuance, upon request by the Company, of letters of credit by the issuing banks thereunder in order to support certain obligations of the Company. Aggregate letter of credit amounts may be increased upon the agreement of the parties but, otherwise, may not exceed (i) $936.0 million for the period from January 1, 2015 through December 31, 2015, and (ii) $1.0 billion for the period from January 1, 2016 through June 28, 2016.

As of April 3, 2016 and January 3, 2016, letters of credit issued and outstanding under the August 2011 letter of credit facility with Deutsche Bank totaled $266.4 million and $294.5 million, respectively.

September 2011 Letter of Credit Facility with Deutsche Bank Trust

In September 2011, the Company entered into a letter of credit facility with Deutsche Bank Trust which provides for the issuance, upon request by the Company, of letters of credit to support obligations of the Company in an aggregate amount not to exceed $200.0 million. Each letter of credit issued under the facility is fully cash-collateralized and the Company has entered into a security agreement with Deutsche Bank Trust, granting them a security interest in a cash collateral account established for this purpose.

As of April 3, 2016 and January 3, 2016, letters of credit issued and outstanding under the Deutsche Bank Trust facility amounted to $8.8 million and $8.6 million, respectively, which were fully collateralized with restricted cash on the Consolidated Balance Sheets.

Non-recourse Financing and Other Debt

In order to facilitate the construction, sale or ongoing operation of certain solar projects, including the Company's residential leasing program, the Company regularly obtains project-level financing. These financings are secured either by the assets of the specific project being financed or by the Company's equity in the relevant project entity and do not have recourse to the general assets of the Company for repayment of such debt obligations, and hence are referred to as non-recourse. Non-recourse financing is typically in the form of loans from third-party financial institutions, but also takes other forms, including "partnership flip" structures, sale-leaseback arrangements, or other forms commonly used in the solar or similar industries. The Company may seek non-recourse financing covering solely the construction period of the solar project or may also seek financing covering part or all of the operating life of the solar project. The Company classifies non-recourse financings in the Consolidated Balance Sheets in accordance with their terms; however, in certain circumstances, the Company may repay or refinance these financings prior to stated maturity dates in connection with the sale of the related project or similar such circumstances. In addition, in certain instances, the customer may assume the loans at the time that the project entity is sold to the customer. In these instances, subsequent debt assumption is reflected as a financing outflow and operating inflow in the Consolidated Statements of Cash Flows to reflect the substance of the assumption as a facilitation of customer financing from a third party.

The following presents a summary of the Company's non-recourse financing arrangements, including arrangements that are not classified as debt:

	Aggregate Carrying Value		
(In thousands)	**April 3, 2016**	**January 3, 2016**	**Balance Sheet Classification**
Residential Lease Program			
Bridge loans	$ 18,422	$ —	Short-term debt and Long-term debt
Long-term loans	176,340	171,752	Short-term debt and Long-term debt
Financing arrangements with third parties	42,740	36,784	Accrued liabilities and Other long-term liabilities
Tax equity partnership flip facilities	131,359	128,594	Redeemable non-controlling interests in subsidiaries and non-controlling interests in subsidiaries
Power Plant and Commercial Projects			
Stanford and Turlock credit facility	$ 84,307	$ —	Short-term debt and Long-term debt
Henrietta credit facility	216,691	216,691	Short-term debt and Long-term debt
Hooper credit facility	—	37,269	Short-term debt and Long-term debt
Arizona loan	8,081	8,113	Short-term debt and Long-term debt

For the Company’s residential lease program, non-recourse financing is typically accomplished by aggregating an agreed-upon volume of solar power systems and leases with residential customers into a specific project entity. The Company has entered into the following non-recourse financings with respect to its residential lease program:

In fiscal 2016, the Company entered into bridge loans to finance solar power systems and leases under its residential lease program. The loans are repaid over terms ranging from two to seven years. Some loans may be prepaid without penalties at the Company's option at any time, while other loans may be prepaid, subject to a prepayment fee, after one year. During the three months ended April 3, 2016, the Company had net proceeds of $17.0 million in connection with these loans. As of April 3, 2016, the aggregate carrying amount of these loans, presented in "Short-term debt" and "Long-term debt" on the Company's Consolidated Balance Sheets, was $18.4 million.

In fiscal 2014 and 2015 the Company entered into long-term loans to finance solar power systems and leases under its residential lease program. The loans are repaid over their terms of between 17 and 18 years, and may be prepaid without penalty at the Company’s option beginning seven years after the original issuance of the loan. During the three months ended April 3, 2016 and March 29, 2015, the Company had net proceeds (repayments) of $3.2 million and $(0.4) million, respectively, in connection with these loans. As of April 3, 2016, and January 3, 2016, the aggregate carrying amount of these loans, presented in "Short-term debt" and "Long-term debt" on the Company's Consolidated Balance Sheets, was $176.3 million and $171.8 million, respectively.

The Company has entered into multiple arrangements under which solar power systems are financed by third-party investors or customers, including by a legal sale of the underlying asset that is accounted for as a borrowing under relevant

accounting guidelines as the requirements to recognize the transfer of the asset were not met. Under the terms of these arrangements the third parties make an upfront payment to the Company, which the Company recognizes as a liability that will be reduced over the term of the arrangement as lease receivables and government incentives are received by the third party. As the liability is reduced, the Company makes a corresponding reduction in receivables. During the three months ended April 3, 2016 and March 29, 2015, the Company had net proceeds (repayments) of $7.1 million and $(10.5) million, respectively, in connection with these facilities. As of April 3, 2016, and January 3, 2016, the aggregate carrying amount of these facilities, presented in "Accrued liabilities" and "Other long-term liabilities" on the Company's Consolidated Balance Sheets, was $42.7 million and $36.8 million, respectively (see Note 4).

The Company also enters into third-party financing facilities with tax equity investors under which the investors invest in these entities in a structure known as a partnership flip. The Company holds controlling interests in these less-than-wholly-owned entities and therefore fully consolidates these entities. The Company accounts for the portion of net assets in the consolidated entities attributable to the investors as noncontrolling interests in its consolidated financial statements. Noncontrolling interests in subsidiaries that are redeemable at the option of the noncontrolling interest holder are classified accordingly as redeemable, between liabilities and equity on the Company's Consolidated Balance Sheets. During the three months ended April 3, 2016 and March 29, 2015 the Company had net contributions of $18.8 million and $43.6 million, respectively, under these facilities and attributed losses of $16.7 million and $19.6 million, respectively, to the non-controlling interests corresponding principally to certain assets, including tax credits, that were allocated to the non-controlling interests during the periods. As of April 3, 2016 and January 3, 2016, the aggregate carrying amount of these facilities, presented in “Redeemable non-controlling interests in subsidiaries” and “Non-controlling interests in subsidiaries” on the Company’s Consolidated Balance Sheets, was $131.4 million and $128.6 million, respectively.

For the Company’s power plant and commercial solar projects, non-recourse financing is typically accomplished using an individual solar power system or a series of solar power systems with a common end customer, in each case owned by a specific project entity. The Company has entered into the following non-recourse financings with respect to its power plant and commercial projects:

In fiscal 2016, the Company entered into a long-term credit facility to finance several related utility-scale power plant projects in California, including the Stanford and Turlock projects, with an aggregate size of approximately 350 MW. During the three months ended April 3, 2016, the Company had net proceeds of $79.4 million in connection with the facility. As of April 3, 2016, the aggregate carrying amount of this facility, presented in "Short-term debt" and "Long-term debt" on the Company's Consolidated Balance Sheets, was $84.3 million.

In fiscal 2015, the Company entered into a long-term credit facility to finance the 128 MW utility-scale Henrietta utility-scale power plant in California. As of both April 3, 2016 and January 3, 2016, the aggregate carrying amount of this loan, presented in "Short-term debt" and "Long-term debt" on the Company's Consolidated Balance Sheets, was $216.7 million.

In fiscal 2015, the Company entered into a long-term credit facility to finance the 60 MW Hooper utility-scale power plant in Colorado. In fiscal 2016, the Company repaid the full amount outstanding. During the three months ended April 3, 2016, the Company had net repayments of $37.3 million in connection with the facility. As of January 3, 2016, the carrying amount of this facility, presented in "Long-term debt" on the Company's Consolidated Balance Sheets, was $37.3 million.

In fiscal 2013, the Company entered into a long-term loan agreement to finance a 5.4 MW utility and power plant operating in Arizona. As of both April 3, 2016, and January 3, 2016, the aggregate carrying amount under this loan, presented in "Short-term debt" and "Long-term debt" on the Company's Consolidated Balance Sheets, was $8.1 million.

Other debt is further composed of non-recourse project loans in EMEA, which are scheduled to mature through 2028.

See Note 5 for discussion of the Company’s sale-leasebacks accounted for under the financing method.

Note 11. ***DERIVATIVE FINANCIAL INSTRUMENTS***

The following tables present information about the Company's hedge instruments measured at fair value on a recurring basis as of April 3, 2016 and January 3, 2016, all of which utilize Level 2 inputs under the fair value hierarchy:

(In thousands)	Balance Sheet Classification	April 3, 2016	January 3, 2016
Assets			
Derivatives designated as hedging instruments:			
Foreign currency option contracts	Prepaid expenses and other current assets	$ 189	$ —
		$ 189	$ —
Derivatives not designated as hedging instruments:			
Foreign currency forward exchange contracts	Prepaid expenses and other current assets	5,630	8,734
		$ 5,630	$ 8,734
Liabilities			
Derivatives designated as hedging instruments:			
Foreign currency option contracts	Accrued liabilities	$ 222	$ —
Foreign currency forward exchange contracts	Accrued liabilities	33	141
Interest rate contracts	Other long-term liabilities	789	583
		$ 1,044	$ 724
Derivatives not designated as hedging instruments:			
Foreign currency forward exchange contracts	Accrued liabilities	10,556	2,175
Interest rate contracts	Other long-term liabilities	159	450
		$ 10,715	$ 2,625

	April 3, 2016					
				Gross Amounts Not Offset in the Consolidated Balance Sheets, but Have Rights to Offset		
(In thousands)	Gross Amounts Recognized	Gross Amounts Offset	Net Amounts Presented	Financial Instruments	Cash Collateral	Net Amounts
Derivative assets	$ 5,819	$ —	$ 5,819	$ 5,819	$ —	$ —
Derivative liabilities	$ 11,759	$ —	$ 11,759	$ 5,819	$ —	$ 5,940

	January 3, 2016					
				Gross Amounts Not Offset in the Consolidated Balance Sheets, but Have Rights to Offset		
(In thousands)	Gross Amounts Recognized	Gross Amounts Offset	Net Amounts Presented	Financial Instruments	Cash Collateral	Net Amounts
Derivative assets	$ 8,734	$ —	$ 8,734	$ 2,316	$ —	$ 6,418
Derivative liabilities	$ 3,349	$ —	$ 3,349	$ 2,316	$ —	$ 1,033

The following table summarizes the pre-tax amount of unrealized gain or loss recognized in "Accumulated other comprehensive income" ("OCI") in "Stockholders' equity" in the Consolidated Balance Sheets:

(In thousands)	Three Months Ended April 3, 2016	Three Months Ended March 29, 2015
Derivatives designated as cash flow hedges:		
Gain (loss) in OCI at the beginning of the period	$ 5,942	$ (1,443)
Unrealized gain (loss) recognized in OCI (effective portion)	257	(2,708)
Less: Gain reclassified from OCI to revenue (effective portion)	(7,002)	(1,480)
Net change in derivatives	$ (6,745)	$ (4,188)
Loss in OCI at the end of the period	$ (803)	$ (5,631)

The following table summarizes the amount of gain or loss recognized in "Other, net" in the Consolidated Statements of Operations in the three months ended April 3, 2016, and March 29, 2015:

(In thousands)	Three Months Ended April 3, 2016	Three Months Ended March 29, 2015
Derivatives designated as cash flow hedges:		
Loss recognized in "Other, net" on derivatives (ineffective portion and amount excluded from effectiveness testing)	$ (460)	$ (3,255)
Derivatives not designated as hedging instruments:		
Gain (loss) recognized in "Other, net"	$ (6,315)	$ 7,515

Foreign Currency Exchange Risk

Designated Derivatives Hedging Cash Flow Exposure

The Company's cash flow exposure primarily relates to anticipated third-party foreign currency revenues and expenses and interest rate fluctuations. To protect financial performance, the Company enters into foreign currency forward and option contracts designated as cash flow hedges to hedge certain forecasted revenue transactions denominated in currencies other than their functional currencies.

As of April 3, 2016, the Company had designated outstanding cash flow hedge option contracts and forward contracts with an aggregate notional value of $27.9 million and $5.5 million, respectively. As of January 3, 2016, the Company had designated outstanding cash flow hedge forward contracts with an aggregate notional value of $23.6 million. The Company designates either gross external or intercompany revenue up to its net economic exposure. These derivatives have a maturity of 12 months or less and consist of foreign currency option and forward contracts. The effective portion of these cash flow hedges is reclassified into revenue when third-party revenue is recognized in the Consolidated Statements of Operations.

Non-Designated Derivatives Hedging Transaction Exposure

Derivatives not designated as hedging instruments consist of forward and option contracts used to hedge re-measurement of foreign currency denominated monetary assets and liabilities primarily for intercompany transactions, receivables from customers, and payables to third parties. Changes in exchange rates between the Company's subsidiaries' functional currencies and the currencies in which these assets and liabilities are denominated can create fluctuations in the Company's reported consolidated financial position, results of operations and cash flows. As of April 3, 2016, to hedge balance sheet exposure, the Company held forward contracts with an aggregate notional value of $76.8 million. The maturity dates of these contracts range from April 2016 to July 2016. As of January 3, 2016, to hedge balance sheet exposure, the Company held forward contracts with an aggregate notional value of $12.1 million. The maturity dates of these contracts range from December 2015 to April 2016.

Interest Rate Risk

The Company also enters into interest rate swap agreements to reduce the impact of changes in interest rates on its project specific non-recourse floating rate debt. As of both April 3, 2016 and January 3, 2016, the Company had interest rate swap agreements designated as cash flow hedges with an aggregate notional value of $8.1 million and interest rate swap agreements not designated as cash flow hedges with an aggregate notional value of $18.6 million. These swap agreements allow the Company to effectively convert floating-rate payments into fixed rate payments periodically over the life of the

agreements. These derivatives have a maturity of more than 12 months. The effective portion of these swap agreements designated as cash flow hedges is reclassified into interest expense when the hedged transactions are recognized in the Consolidated Statements of Operations. The Company analyzes its designated interest rate swaps quarterly to determine if the hedge transaction remains effective or ineffective. The Company may discontinue hedge accounting for interest rate swaps prospectively if certain criteria are no longer met, the interest rate swap is terminated or exercised, or if the Company elects to remove the cash flow hedge designation. If hedge accounting is discontinued, and the forecasted hedged transaction is considered possible to occur, the previously recognized gain or loss on the interest rate swaps will remain in accumulated other comprehensive loss and will be reclassified into earnings during the same period the forecasted hedged transaction affects earnings or is otherwise deemed improbable to occur. All changes in the fair value of non-designated interest rate swap agreements are recognized immediately in current period earnings.

Credit Risk

The Company's option and forward contracts do not contain any credit-risk-related contingent features. The Company is exposed to credit losses in the event of nonperformance by the counterparties to these option and forward contracts. The Company enters into derivative contracts with high-quality financial institutions and limits the amount of credit exposure to any single counterparty. In addition, the Company continuously evaluates the credit standing of its counterparties.

Note 12. ***INCOME TAXES***

In the three months ended April 3, 2016 and March 29, 2015, the Company's income tax provision of $3.2 million and $2.4 million on a loss before income taxes and equity in earnings of unconsolidated investees of $97.5 million and $28.9 million, respectively, was primarily due to projected tax expense in profitable jurisdictions and the recognition of U.S. prepaid income tax due to intercompany transactions. For the reporting period ended April 3, 2016, in accordance with FASB guidance for interim reporting of income tax, the Company has computed its provision for income taxes based on a projected annual effective tax rate while excluding loss jurisdictions which cannot be benefitted.

Note 13. ***NET INCOME (LOSS) PER SHARE***

The Company calculates net income (loss) per share by dividing earnings allocated to common stockholders by the weighted average number of common shares outstanding for the period.

Diluted weighted average shares is computed using basic weighted average shares plus any potentially dilutive securities outstanding during the period using the treasury-stock-type method and the if-converted method, except when their effect is anti-dilutive. Potentially dilutive securities include stock options, restricted stock units, the Upfront Warrants held by Total, warrants associated with the CSO2015, and the outstanding senior convertible debentures.

The following table presents the calculation of basic and diluted net income (loss) per share:

(In thousands, except per share amounts)	Three Months Ended April 3, 2016	Three Months Ended March 29, 2015
Basic net income (loss) per share:		
Numerator		
Net income (loss) attributable to stockholders	$ (85,409)	$ (9,581)
Denominator		
Basic weighted-average common shares	137,203	132,033
Basic net income (loss) per share	$ (0.62)	$ (0.07)
Diluted net income (loss) per share:		
Numerator		
Net income (loss) attributable to stockholders	$ (85,409)	$ (9,581)
Add: Interest expense incurred on the 4.00% debentures due 2023, net of tax	—	n/a
Add: Interest expense incurred on the 0.75% debentures due 2018, net of tax	—	—
Add: Interest expense incurred on the 0.875% debentures due 2021, net of tax	—	—
Net income (loss) available to common stockholders	$ (85,409)	$ (9,581)
Denominator		
Basic weighted-average common shares	137,203	132,033
Effect of dilutive securities:		
Stock options	—	—
Restricted stock units	—	—
Upfront Warrants (held by Total)	—	—
Warrants (under the CSO2015)	n/a	—
4.00% debentures due 2023	—	n/a
0.75% debentures due 2018	—	—
0.875% debentures due 2021	—	—
Dilutive weighted-average common shares	137,203	132,033
Diluted net income (loss) per share	$ (0.62)	$ (0.07)

The Upfront Warrants allow Total to acquire up to 9,531,677 shares of the Company's common stock at an exercise price of $7.8685. The warrants under the CSO2015, when such warrants were still outstanding, entitled holders to acquire up to 11.1 million shares of the Company's common stock at an exercise price of $24.00. During the second quarter of fiscal 2015, the Company entered into unwind agreements pursuant to which the Company issued common stock to settle all of the outstanding warrants relating to the CSO2015 (refer to "Note 12. Debt and Credit Sources" in our Annual Report on Form 10-K for the fiscal year ended January 3, 2016).

Holders of the Company's 4.00% debentures due 2023, 0.875% debentures due 2021, and 0.75% debentures due 2018 can convert the debentures into shares of the Company's common stock, at the applicable conversion rate, at any time on or before maturity. These debentures are included in the calculation of diluted net income per share if they were outstanding during the period presented and if their inclusion is dilutive under the if-converted method.

Holders of the Company's 4.50% debentures due 2015 could, under certain circumstances at their option and before maturity, convert the debentures into cash, and not into shares of the Company's common stock (or any other securities). Therefore, the 4.50% debentures due 2015 are excluded from the net income per share calculation. In March 2015, the 4.50% debentures due 2015 matured and were settled in cash (refer to "Note 12. Debt and Credit Sources" in our Annual Report on Form 10-K for the fiscal year ended January 3, 2016).

The following is a summary of outstanding anti-dilutive potential common stock that was excluded from income (loss) per diluted share in the following periods:

(In thousands)	Three Months Ended April 3, 2016[1]	Three Months Ended March 29, 2015[1]
Stock options	149	190
Restricted stock units	3,816	3,616
Upfront Warrants (held by Total)	6,367	6,908
Warrants (under the CSO2015)	n/a	11,096
4.00% debentures due 2023	13,922	n/a
0.75% debentures due 2018	12,026	12,026
0.875% debentures due 2021	8,203	8,203

[1] As a result of the net loss per share for the three months ended April 3, 2016 and March 29, 2015, the inclusion of all potentially dilutive stock options, restricted stock units, and common shares under noted warrants and convertible debt would be anti-dilutive. Therefore, those stock options, restricted stock units and shares were excluded from the computation of the weighted-average shares for diluted net loss per share for such period.

Note 14. ***STOCK-BASED COMPENSATION***

The following table summarizes the consolidated stock-based compensation expense by line item in the Consolidated Statements of Operations:

(In thousands)	Three Months Ended April 3, 2016	Three Months Ended March 29, 2015
Cost of Residential revenue	$ 827	$ 922
Cost of Commercial revenue	652	388
Cost of Power Plant revenue	2,646	1,256
Research and development	3,032	2,273
Sales, general and administrative	9,363	8,707
Total stock-based compensation expense	$ 16,520	$ 13,546

The following table summarizes the consolidated stock-based compensation expense by type of awards:

(In thousands)	Three Months Ended April 3, 2016	Three Months Ended March 29, 2015
Restricted stock units	$ 17,433	$ 14,504
Change in stock-based compensation capitalized in inventory	(913)	(958)
Total stock-based compensation expense	$ 16,520	$ 13,546

Note 15. ***SEGMENT AND GEOGRAPHICAL INFORMATION***

The Company's President and Chief Executive Officer, as the CODM, has organized the Company, manages resource allocations and measures performance of the Company's activities among three end-customer segments: (i) Residential Segment, (ii) Commercial Segment and (iii) Power Plant Segment (see Note 1). The Residential and Commercial Segments combined are referred to as Distributed Generation.

The CODM assesses the performance of the three end-customer segments using information about their revenue, gross margin, and earnings before interest, taxes, depreciation and amortization ("EBITDA") after certain adjustments such as those related to 8point3 Energy Partners, utility and power plant projects and the sale of operating lease assets, and adding back certain expenses such as stock-based compensation expense and IPO-related costs, as well as other items. Additionally, for purposes of calculating EBITDA, the calculation excludes cash interest expense, net of interest income, provision for income taxes, and depreciation. The CODM does not review asset information by segment.

The following tables present information by end-customer segment including revenue, gross margin, and EBITDA, each as reviewed by the CODM, as well as information about significant customers and revenue by geography, based on the destination of the shipments.

(In thousands):	Three Months Ended April 3, 2016	Three Months Ended March 29, 2015
Revenue		
Distributed Generation		
Residential		
Solar power systems, components, others	$ 95,632	$ 115,666
Residential leasing	56,175	39,658
Commercial	52,241	49,063
Power Plant	180,827	236,484
Total revenue	$ 384,875	$ 440,871
Cost of revenue		
Distributed Generation		
Residential		

Solar power systems, components, others	$ 75,063	$ 92,367
Residential leasing	43,097	30,405
Commercial	45,226	46,880
Power Plant	169,952	180,401
Total cost of revenue	$ 333,338	$ 350,053
Gross margin		
Distributed Generation		
Residential		
Solar power systems, components, others	$ 20,569	$ 23,299
Residential leasing	13,078	9,253
Commercial	7,015	2,183
Power Plant	10,875	56,083
Total gross margin	$ 51,537	$ 90,818

Revenue and Gross margin by segment (in thousands, except percentages):	Three Months Ended April 3, 2016								
	Revenue			Gross margin					
	Residential	Commercial	Power Plant	Residential		Commercial		Power Plant	
As reviewed by CODM	$ 160,898	$ 52,241	$ 220,503	$ 37,583	23.4%	$ 8,332	15.9%	$ 13,107	5.9%
8point3 Energy Partners	1,312	—	13,862	485		—		4,157	
Utility and power plant projects	—	—	(53,538)	—		—		(3,557)	
Sale of operating lease assets	(10,403)	—	—	(3,112)		—		—	
Stock-based compensation	—	—	—	(827)		(652)		(2,646)	
Other	—	—	—	(482)		(665)		(186)	
GAAP	$ 151,807	$ 52,241	$ 180,827	$ 33,647	22.2%	$ 7,015	13.4%	$ 10,875	6.0%

Revenue and Gross margin by segment (in thousands, except percentages):	Three Months Ended March 29, 2015								
	Revenue			Gross margin					
	Residential	Commercial	Power Plant	Residential		Commercial		Power Plant	
As reviewed by CODM	$ 155,324	$ 49,063	$ 226,214	$ 35,278	22.7%	$ 3,025	6.2%	$ 49,858	22.0%
Utility and power plant projects	—	—	10,270	—		—		11,251	
Stock-based compensation	—	—	—	(922)		(388)		(1,256)	
Other	—	—	—	(1,804)		(454)		(3,770)	
GAAP	$ 155,324	$ 49,063	$ 236,484	$ 32,552	21.0%	$ 2,183	4.4%	$ 56,083	23.7%

(In thousands):	Three Months Ended April 3, 2016	Three Months Ended March 29, 2015
EBITDA as reviewed by CODM		
Distributed Generation		
Residential	$ 29,578	$ 32,624
Commercial	(2,440)	(6,900)
Power Plant	(8,878)	31,177
Corporate and unallocated	(11,954)	1,930
Total EBITDA as reviewed by CODM	$ 6,306	$ 58,831
Reconciliation to Consolidated Statements of Income (Loss)		
8point3 Energy Partners	(10,719)	—
Utility and power plant projects	(3,557)	11,251
Sale of operating lease assets	(3,120)	—
Stock-based compensation	(16,520)	(13,546)
IPO-related costs	—	(9,900)
Other	(8,608)	(14,170)
Cash interest expense, net of interest income	(12,184)	(11,092)
Provision for income taxes	(3,181)	(2,351)
Depreciation	(33,826)	(28,604)
Net loss attributable to stockholders	$ (85,409)	$ (9,581)

(As a percentage of total revenue):		Three Months Ended April 3, 2016	Three Months Ended March 29, 2015
Significant Customers:	**Business Segment**		
8point3 Energy Partners	Power Plant	28%	n/a
Mulilo Prieska PV (RF) Proprietary Limited	Power Plant	11%	*
MidAmerican Energy Holdings Company	Power Plant	*	33%

(As a percentage of total revenue):	Three Months Ended April 3, 2016	Three Months Ended March 29, 2015
Revenue by geography:		
United States	77%	67%
Japan	3%	16%
Rest of World	20%	17%
	100%	100%

Note 16. ***SUBSEQUENT EVENTS***

Revolving Credit Facility with Mizuho and Goldman Sachs

On May 4, 2016, the Company entered into a revolving credit facility with Mizuho Bank Ltd. (as administrative agent) and Goldman Sachs Bank USA (the "Credit Facility"), under which the Company may borrow up to $200 million. The Credit Facility also includes a $100 million accordion feature. Amounts borrowed under the Credit Facility may be repaid and reborrowed in support of the Company's commercial and small scale utility projects in the United States until the May 4, 2021 maturity date. The Credit Facility includes representations, covenants, and events of default customary for financing transactions of this type.

Borrowings under the Credit Facility will bear interest at the applicable LIBOR rate plus 1.50% for the first two years (with the final year at 1.75%). All outstanding indebtedness under the Credit Facility may be voluntarily prepaid in whole or in part without premium or penalty (with certain limitations to partial repayments), other than customary breakage costs. The Credit Facility is secured by the assets of, and equity in, the various project companies to which the borrowings relate, but is otherwise non-recourse to the Company and its other affiliates.

ITEM 2: *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

Cautionary Statement Regarding Forward-Looking Statements

You should read the following discussion of our financial condition and results of operations in conjunction with the consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the fiscal year ended January 3, 2016 filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act").

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that do not represent historical facts and the assumptions underlying such statements. We use words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," "potential," "will," "would," "should," and similar expressions to identify forward-looking statements. Forward-looking statements in this Quarterly Report on Form 10-Q include, but are not limited to, our plans and expectations regarding future financial results, expected operating results, business strategies, projected costs and cost reduction, development of new products and improvements to our existing products, our manufacturing capacity and manufacturing costs, the adequacy of our agreements with our suppliers, our ability to monetize utility projects, competitive positions, management's plans and objectives for future operations, the sufficiency of our cash and our liquidity, our ability to obtain financing, our ability to comply with debt covenants or cure any defaults, trends in average selling prices, the success of our joint ventures and acquisitions, expected capital expenditures, warranty matters, outcomes of litigation, our exposure to foreign exchange, interest and credit risk, general business and economic conditions in our markets, industry trends, the impact of changes in government incentives, expected restructuring charges, and the likelihood of any impairment of project assets, long-lived assets, and investments. These forward-looking statements are based on information available to us as of the date of this Quarterly Report on Form 10-Q and current expectations, forecasts and assumptions and involve a number of risks and uncertainties that could cause actual results to differ materially from those anticipated by these forward-looking statements. Such risks and uncertainties include a variety of factors, some of which are beyond our control. Factors that could cause or contribute to such differences include, but are not limited to, those identified below, those discussed in the section titled "Risk Factors" included in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the fiscal year ended January 3, 2016, and our other filings with the Securities and Exchange Commission ("SEC"). These forward-looking statements should not be relied upon as representing our views as of any subsequent date, and we are under no obligation to, and expressly disclaim any responsibility to, update or alter our forward-looking statements, whether as a result of new information, future events or otherwise.

Our fiscal year ends on the Sunday closest to the end of the applicable calendar year. All references to fiscal periods apply to our fiscal quarter or year, which end on the Sunday closest to the calendar month end.

Overview

SunPower is a leading global energy company that delivers complete solar solutions to residential, commercial, and power plant customers worldwide through an array of hardware, software, and financing options and through utility-scale solar power system construction and development capabilities, O&M services, and "Smart Energy" solutions. Our Smart Energy initiative is designed to add layers of intelligent control to homes, buildings and grids—all personalized through easy-to-use customer interfaces. Of all the solar cells commercially available to the mass market, we believe our solar cells have the highest conversion efficiency, a measurement of the amount of sunlight converted by the solar cell into electricity. For more information about our business, please refer to the section titled "Part I. Item 1. *Business*" in our Annual Report on Form 10-K for the fiscal year January 3, 2016.

Unit of Power

When referring to our solar power systems, our facilities' manufacturing capacity, and total sales, the unit of electricity in watts for kilowatts ("KW"), megawatts ("MW"), and gigawatts ("GW") is direct current ("DC"), unless otherwise noted as alternating current ("AC").

Levelized Cost of Energy ("LCOE")

LCOE is an evaluation of the life-cycle energy cost and life-cycle energy production of an energy producing system. It allows alternative technologies to be compared across different scales of operation, investment or operating time periods. It

captures capital costs and ongoing system-related costs, along with the amount of electricity produced, and converts them into a common metric. Key drivers for LCOE reduction for photovoltaic products include panel efficiency, capacity factors, reliable system performance, and the life of the system.

Customer Cost of Energy ("CCOE™")

Our customers are focused on reducing their overall cost of energy by intelligently integrating solar and other distributed generation, energy efficiency, energy management, and energy storage systems with their existing utility-provided energy. The CCOE™ measurement is an evaluation of a customer's overall cost of energy, taking into account the cost impact of each individual generation source (including the utility), energy storage systems, and energy management systems. The CCOE measurement includes capital costs and ongoing operating costs, along with the amount of electricity produced, stored, saved, or re-sold, and converts all of these variables into a common metric. The CCOE metric allows a customer to compare different portfolios of generation sources, energy storage, and energy management, and to tailor towards optimization.

Seasonal Trends

Our business is subject to industry-specific seasonal fluctuations including changes in weather patterns and economic incentives, among others. Sales have historically reflected these seasonal trends with the largest percentage of total revenues realized during the last two quarters of a fiscal year. The construction of solar power systems or installation of solar power components and related revenue may decline during cold winter months. In the United States, many customers make purchasing decisions towards the end of the year in order to take advantage of tax credits or for other budgetary reasons. In addition, revenues may fluctuate due to the timing of project sales, construction schedules, and revenue recognition of certain projects, such as those involving the sale of real estate, which may significantly impact the quarterly profile of our results of operations. We may also retain certain development projects on our balance sheet for longer periods of time than in preceding periods in order to optimize the economic value we receive at the time of sale, which may further impact the period-over-period profile of our results of operations.

Fiscal Years

We have a 52-to-53-week fiscal year that ends on the Sunday closest to December 31. Accordingly, every fifth or sixth year will be a 53-week fiscal year. The current fiscal year, fiscal 2016, is a 52-week fiscal year, while fiscal year 2015 was a 53-week fiscal year and had a 14-week fourth fiscal quarter. The first quarter of fiscal 2016 ended on April 3, 2016, while the first quarter of fiscal 2015 ended on March 29, 2015. The first quarters of fiscal 2016 and fiscal 2015 were both 13-week quarters.

Outlook

Demand

We remain focused on each of our three business segments. We believe that our key growth areas will be in our U.S. market in our Residential business and in emerging markets and in our Commercial and Power Plant businesses. We plan on continuing to expand our business in growing and sustainable markets, including Chile, Mexico, Turkey, South Africa, China, and the Middle East. We expect to grow our Power Plants business with investments in project development pipelines and in conjunction with our HoldCo strategy of retaining development projects on our balance sheet for longer periods of time in order to optimize the economic value that we receive at the time of sale. We are also working to expand our global components sales capabilities and international commercial opportunities.

In June 2015, 8point3 Energy Partners, our joint YieldCo vehicle formed to own, operate and acquire solar energy generation assets, completed its IPO. 8point3 Energy Partners remains a reliable source of demand for our business and we plan to continue to sell to it our solar energy generating assets, including utility-scale solar power plants, commercial solar projects, and portfolios of residential solar power systems. For additional information on transactions with 8point3 Energy Partners and associated revenue recognition, please see "Note 9. Equity Method Investments – *Equity Investment in 8point3 Energy Partners"* and "– *Related-Party Transactions with Investees*."

In fiscal 2015, we had an income tax provision of $66.7 million on a loss before income taxes and equity in earnings of unconsolidated investees of $242.3 million due to U.S. taxable income resulting from gains realized primarily on the use of tax equity structures for the sale of projects that involve real estate and a coinciding utilization of carryforward tax attributes; however, GAAP revenue and margin on the transactions that generated tax gains were deferred due to real estate accounting guidelines. We expect that in fiscal 2016 we will continue to engage in transactions that generate taxable income, but defer

GAAP margin due to real estate accounting guidelines, and as such, expect to continue to generate taxable income in excess of tax attributes, such as net operating losses and tax credits, that can be used to offset such taxable income.

In late fiscal 2015, the U.S. government enacted a budget bill that extended the solar commercial investment tax credit (the “Commercial ITC”) under Section 48(c) of the Internal Revenue Code of 1986 (the “IRC”) and the individual solar investment tax credit under Section 25D of the IRC (together with the Commercial ITC, the “ITC”) for five years, at rates gradually decreasing from 30% through 2019 to 22% in 2021. After 2021, the Commercial ITC is retained at 10%. We also saw other recent developments that contributed to a favorable policy environment, including (i) a significant focus on reducing world-wide carbon emissions through such events as the COP21 sustainable innovation forum held in Paris and the announcement of the Clean Power Plan in the United States, and (ii) domestic policy measures such as the extension of bonus depreciation and approval of California Net Metering "NEM 2.0." We believe these factors will strengthen demand for our products in all three business segments in U.S. and global markets and provide us an opportunity to expand our suite of energy solutions and complement our strong, existing core business. For more information about the ITC and other policy mechanisms, please refer to the section titled "Part I. Item 1. Business—Regulations—Public Policy Considerations" in our Annual Report on Form 10-K for the fiscal year ended January 3, 2016. For more information about how we avail ourselves of the benefits of public policies and the risks related to public policies, please see the risk factors set forth under the caption "Part I. Item 1A. Risk Factors," including "Risks Related to Our Sales Channels—The reduction, modification or elimination of government incentives could cause our revenue to decline and harm our financial results" and "Risks Related to Our Sales Channels—Existing regulations and policies and changes to these regulations and policies may present technical, regulatory, and economic barriers to the purchase and use of solar power products, which may significantly reduce demand for our products and services" in our Annual Report on Form 10-K for the fiscal year ended January 3, 2016.

Supply

We are focused on delivering complete solutions to customers in all three of our business segments. As part of our complete solution approach, we launched our Helix™ product for our Commercial Segment during fiscal 2015, and in the first quarter of fiscal 2016 we launched our Equinox™ product for our Residential Segment. The Equinox and Helix systems are pre-engineered modular solutions for residential and commercial applications, respectively, that combine our high-efficiency solar module technology with integrated plug-and-play power stations, cable management systems, and mounting hardware that enable our customers to quickly and easily complete system installations and manage their energy production. We continue to work on developing our next generation technology for our existing Oasis modular solar power blocks for power plant applications. With the addition of these modular solutions in our residential and commercial applications, we are able to provide complete solutions across all end-customer segments. Additionally, in the fourth quarter of fiscal 2015 we announced the launch of our new lower cost, high efficiency Performance Series product line, which will enhance our ability to rapidly expand our global footprint with minimal capital cost.

We continue to see significant and increasing opportunities in technologies and capabilities adjacent to our core product offerings that can significantly reduce our customers' CCOE measurement, including the integration of energy storage and energy management functionality into our systems, and have made investments to realize those opportunities, including our investment in a data-driven Energy Services Management Platform from Tendril Networks, Inc., and our strategic partnership with EnerNOC to deploy their Software as a Service energy intelligence software solution to our commercial and power plant customers, enabling our customers to make intelligent energy choices by addressing how they buy energy, how they use energy and when they use it. We have added advanced module-level control electronics to our portfolio of technology designed to enable longer series strings and significant balance of system components cost reductions in large arrays. We are developing next generation microinverters designed to eliminate the need to mount or assemble additional components on the roof or the side of a building and enable optimization and monitoring at the solar panel level to ensure maximum energy production by the solar system. We also continue to work on making combined solar and distributed energy storage solutions broadly commercially available to certain customers in the United States and Australia through our agreement to offer Sunverge SIS energy solutions comprising batteries, power electronics, and multiple energy inputs controlled by software in the cloud.

We continue to improve our unique, differentiated solar cell and panel technology. We emphasize improvement of our solar cell efficiency and LCOE and CCOE performance through enhancement of our existing products, development of new products and reduction of manufacturing cost and complexity in conjunction with our overall cost-control strategies. We are now producing our solar cells with over 25% efficiency in the lab and have reached production panel efficiencies over 22% in high-volume production.

We are expanding our solar cell manufacturing capacity through the construction of a facility in the Philippines with a planned annual capacity of 350 MW once fully operational, which is expected to occur in fiscal 2016; initial production launched during the fourth quarter of fiscal 2015.

We are focused on reducing the cost of our solar panels and systems and are working with our suppliers and partners along all steps of the value chain to reduce costs by improving manufacturing technologies and expanding economies of scale. We also continually focus on reducing manufacturing cost and complexity in conjunction with our overall cost-control strategies. We believe that the global demand for solar systems is highly elastic and that our aggressive, but achievable, cost reduction roadmap will reduce installed costs for our customers across all business segments and drive increased demand for our solar solutions.

We also work with our suppliers and partners to ensure the reliability of our supply chain. We have contracted with some of our suppliers for multi-year supply agreements, under which we have annual minimum purchase obligations. We also have certain purchase obligations under our material supply agreement with our joint venture AUOSP, which is a supplier of our cells. For more information about our purchase commitments and obligations, please see "Part I. Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Contractual Obligations" and "Note 8. Commitments and Contingencies" in the Notes to the Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

We currently believe our supplier relationships and various short- and long-term contracts will afford us the volume of material and services required to meet our planned output; however, we face the risk that the pricing of our long-term contracts may exceed market value. We purchase our polysilicon under fixed-price long-term supply agreements; purchases in fiscal 2015 under these agreements significantly exceeded market value and the volume contracted to be purchased in fiscal 2016 exceeds our planned utilization, which may result in higher inventory balances until we are able to fully utilize the polysilicon inventory in future periods. Additionally, we face the risk that our joint venture AUOSP may not remain financially healthy or a reliable source in our supply chain. For more information about these risks, please see "—Our long-term, firm commitment supply agreements could result in excess or insufficient inventory, place us at a competitive disadvantage on pricing, or lead to disputes, each of which could impair our ability to meet our cost reduction roadmap" and "—We will continue to be dependent on a limited number of third-party suppliers for certain raw materials and components for our products, which could prevent us from delivering our products to our customers within required timeframes and could in turn result in sales and installation delays, cancellations, penalty payments and loss of market share" under "Part 1. Item 1A. Risk Factors—Risks Related to Our Supply Chain" in our Annual Report on Form 10-K for the fiscal year ended January 3, 2016.

M&A

During fiscal 2015 and the first fiscal quarter of 2016, we made strategic acquisitions and investments that will allow us to service a broader market with enhanced expertise. We look for similar investment opportunities to expand our business and portfolio of technology by making investments that will enable us to achieve our strategic vision.

Financing

We are able to utilize various means to finance our utility-scale power plant development and construction projects, including our ability to sell projects to 8point3 Energy Partners. Through our investments in and involvement with the 8point3 Group, we anticipate that we will be able to reliably access a lower cost of capital, which will further enable the continued development of our project pipeline described below in our key U.S. market and in select, sustainable foreign markets. As part of this strategy, we plan to retain these development projects on our balance sheet for longer periods of time than in preceding periods in order to optimize the economic value we receive at the time of sale.

Projects Under Contract

The table below presents significant construction and development projects under contract as of April 3, 2016:

Project	Location	Size (MW)	Third-Party Owner / Purchaser	Power Purchase Agreement(s)	Expected Substantial Completion of Project[2]
Prieska Solar Project[1]	South Africa	86	Mulilo Prieska PV (RF) Proprietary Limited	Eskom Holdings Soc LTD	2016

[1] We have entered into an EPC agreement and a long-term fixed price O&M agreement with the owners of the Prieska Solar Project, which includes a subsidiary of Total S.A.

[2] Expected completion of revenue recognition assumes completion of construction in the stated fiscal year.

As of April 3, 2016, an aggregate of approximately $23.2 million of remaining revenue is expected to be recognized on projects reflected in the table above through the expected completion dates noted. Projects will be removed from the table above in the period in which substantially all of the revenue for such project has been recognized.

Projects with Executed Power Purchase Agreements - Not Sold / Not Under Contract

The table below presents significant construction and development projects with executed PPAs, but not sold or under contract as of April 3, 2016:

Project	Location	Size (MW)	Power Purchase Agreement(s)	Expected Substantial Completion of Project[1]
Henrietta Solar Project[2]	California, USA	128	PG&E	2016
Boulder Solar Project	Nevada, USA	125	NV Energy	2016
Stanford Solar Generating Station[2]	California, USA	68	Stanford University	2016
Turlock Solar Generating Station[2]	California, USA	68	Turlock Irrigation District	2016
Rio Bravo Solar Projects	California, USA	50	Southern California Edison	2016
Boulder Solar Project II	Nevada, USA	50	Sierra Pacific Power Company	2016

[1] Expected completion of revenue recognition assumes completion of construction and sale of the project in the stated fiscal year.

[2] ROFO Project—pursuant to a Right of First Offer Agreement between SunPower and OpCo, the 8point3 Group has rights of first offer on interests in these projects. For additional information on 8point3 Energy Partners and related transactions, please refer to the section titled "Note 6. Fair Value Measurements" and "Note 9. Equity Method Investments" in the Notes to the Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

Our project pipeline extends beyond the projects represented in the tables above. Significant projects with development and milestone activities in progress will be excluded from the table above until an associated PPA has been executed.

Results of Operations

Revenue

	Three Months Ended		
(In thousands)	**April 3, 2016**	**March 29, 2015**	**% Change**
Distributed Generation			
Residential	$ 151,807	$ 155,324	(2)%
Commercial	52,241	49,063	6%
Power Plant	180,827	236,484	(24)%
Total revenue	$ 384,875	$ 440,871	(13)%

Total Revenue: Our total revenue decreased 13% during the three months ended April 3, 2016 as compared to the three months ended March 29, 2015 primarily due to the substantial completion of certain large-scale solar power projects and the associated revenue recognition during the second half of fiscal 2015. A decline in sales of solar power components to residential customers also contributed to the period-over-period decrease in total revenue.

Concentrations: Sales for the Power Plant Segment as a percentage of total revenue recognized were approximately 47% and 54% during the three months ended April 3, 2016 as compared to the three months ended March 29, 2015, respectively. The revenue for the Power Plant Segment as a percentage of total revenue recognized decreased primarily due to substantial completion of certain large-scale solar power systems and the associated revenue recognition during the second half of fiscal 2015.

The table below represents our significant customers that accounted for greater than 10 percent of total revenue in each of the three months ended April 3, 2016 and March 29, 2015.

		Three Months Ended	
Revenue		**April 3, 2016**	**March 29, 2015**
Significant Customers:	**Business Segment**		
8point3 Energy Partners	Power Plant	28%	n/a
Mulilo Prieska PV (RF) Proprietary Limited	Power Plant	11%	*
MidAmerican Energy Holdings Company	Power Plant	*	33%

* denotes less than 10% during the period

Residential Revenue: Residential revenue decreased 2% during the three months ended April 3, 2016 as compared to the three months ended March 29, 2015 primarily due to a decline in the sales of solar power components and systems to our residential customers in Japan, where a reduction in the country's feed-in tariff during the last half of fiscal 2015 continued to reduce demand for solar power systems and the decline in the value of the Japanese Yen reduced demand for imported goods in general. The decrease in residential revenue was partially offset by an increase in sales of residential solar power systems and components in North America driven by stronger sales through our dealer network and an increase in the number of leases placed in service under our residential leasing program within the United States as well as an increase in the proportion of capital leases relative to total leases placed in service.

Commercial Revenue: Commercial revenue increased 6% during the three months ended April 3, 2016 as compared to the three months ended March 29, 2015 primarily because of stronger sales of commercial components and systems in North America due to a favorable policy environment, partially offset by a decrease in commercial component and system sales in Japan, where a reduction in the country's feed-in tariff during the during the last half of fiscal 2015 continued to reduce demand for solar power systems and the decline in the value of the Japanese Yen reduced demand for imported goods in general.

Power Plant Revenue: Power Plant revenue decreased 24% during the three months ended April 3, 2016 as compared to the three months ended March 29, 2015 primarily due to the substantial completion of certain large-scale solar power projects and the associated revenue recognition during the second half of fiscal 2015.

Cost of Revenue

	Three Months Ended		
(In thousands)	**April 3, 2016**	**March 29, 2015**	**% Change**
Distributed Generation			
Residential	$ 118,160	$ 122,772	(4)%
Commercial	45,226	46,880	(4)%
Power Plant	169,952	180,401	(6)%
Total cost of revenue	$ 333,338	$ 350,053	(5)%
Total cost of revenue as a percentage of revenue	87%	79%	
Total gross margin percentage	13%	21%	

Total Cost of Revenue: Our total cost of revenue decreased 5% during the three months ended April 3, 2016 as compared to the three months ended March 29, 2015 primarily due to the substantial completion of certain large-scale solar power projects and the recognition of revenue and corresponding costs during the second half of fiscal 2015.

Gross Margin

	Three Months Ended		
	April 3, 2016	**March 29, 2015**	**% Change**
Distributed Generation			
Residential	22%	21%	1%
Commercial	13%	4%	9%
Power Plant	6%	24%	(18)%

Residential Gross Margin: Gross margin for our Residential Segment increased one percentage point during the three months ended April 3, 2016 as compared to the three months ended March 29, 2015 as a result of increased volume of sales with favorable margins for residential leases and higher average selling prices for residential components and systems in North America, partially offset by declining average selling prices in Japan, where a reduction in the country's feed-in tariff during the last half of fiscal 2015 continued to reduce demand for solar power systems and the decline in the value of the Japanese Yen reduced demand for imported goods in general.

Commercial Gross Margin: Gross margin for our Commercial Segment increased nine percentage points during the three months ended April 3, 2016 as compared to the three months ended March 29, 2015 primarily due to an increase in the volume of projects and sales of components and systems with favorable margins as a result of a more favorable policy environment in North America, partially offset by declining average selling prices in Japan, where a reduction in the country's feed-in tariff during the during the last half of fiscal 2015 continued to reduce demand for solar power systems and the decline in the value of the Japanese Yen reduced demand for imported goods in general.

Power Plant Gross Margin: Gross margin for our Power Plant Segment decreased 18 percentage points during the three months ended April 3, 2016 as compared to the three months ended March 29, 2015 primarily due to the substantial completion of certain large-scale solar power projects with favorable margins during the second half of fiscal 2015 and because, during the first quarter of fiscal 2016, we deferred the recognition of any profit on the sale of a project involving real estate to 8point3 Energy Partners under the accounting treatment described in "Note 9. Equity Method Investments—Equity Investment in 8point3 Energy Partners" in this Quarterly Report on Form 10-Q.

Research and Development ("R&D")

	Three Months Ended		
(In thousands)	**April 3, 2016**	**March 29, 2015**	**% Change**
R&D	$ 32,706	$ 21,168	55%
As a percentage of revenue	8%	5%	

R&D expense increased $11.5 million or 55%, during the three months ended April 3, 2016 as compared to the three months ended March 29, 2015 primarily due to a $9.2 million increase in labor costs as a result of additional headcount and salary related expenses, as well as an increase in other net expenses such as materials, consulting and outside services as we continue to develop our next generation solar technology and expand our product offering. The remaining increase was a result of other net expenses to support R&D programs as well as amortization of intangible assets attributable to R&D activity. These increases were partially offset by contributions under the R&D Agreement with Total.

Sales, General and Administrative ("SG&A")

	Three Months Ended		
(In thousands)	**April 3, 2016**	**March 29, 2015**	**% Change**
SG&A	$ 97,791	$ 77,214	27%
As a percentage of revenue	25%	18%	

SG&A expense increased $20.6 million, or 27%, during the three months ended April 3, 2016 as compared to the three months ended March 29, 2015 due to a $14.0 million increase in selling and marketing expenses as we grow our sales teams and increase our marketing activity in North America and through digital media and a $6.6 million increase in other costs related to ongoing legal proceedings and non-cash charges primarily related to depreciation and amortization of intangible assets.

Restructuring Charges

(In thousands)	Three Months Ended April 3, 2016	Three Months Ended March 29, 2015	% Change
Restructuring charges	$ 96	$ 3,581	(97)%
As a percentage of revenue	—%	1%	

Restructuring charges decreased $3.5 million, or 97%, during the three months ended April 3, 2016 as compared to the three months ended March 29, 2015 due to the substantial completion in fiscal 2015 of the activities associated with legacy restructuring plans approved in fiscal 2014, 2012 and 2011.

See "Item 1. Financial Statements—Notes to Consolidated Financial Statements—Note 7. Restructuring" for further information regarding our restructuring plans.

Other Expense, Net

(In thousands)	Three Months Ended April 3, 2016	Three Months Ended March 29, 2015	% Change
Interest income	$ 697	$ 556	25%
Interest expense	(12,881)	(15,681)	(18)%
Other, net	(6,232)	(2,620)	138%
Other expense, net	$ (18,416)	$ (17,745)	4%
As a percentage of revenue	(5)%	(4)%	

Other expense, net increased $0.7 million, or 4%, in the three months ended April 3, 2016 as compared to the three months ended March 29, 2015 primarily driven by unfavorable changes in the fair value of foreign currency derivatives and other net expenses, partially offset by a decrease in interest expense due to the maturity of the 4.00% debentures in March 2015.

Income Taxes

(In thousands)	Three Months Ended April 3, 2016	Three Months Ended March 29, 2015	% Change
Provision for income taxes	$ (3,181)	$ (2,351)	35%
As a percentage of revenue	(1)%	(1)%	

In the three months ended April 3, 2016 and March 29, 2015, our income tax provision of $3.2 million and $2.4 million, respectively, on a loss before income taxes and equity in earnings of unconsolidated investees of $97.5 million and $28.9 million, respectively, was primarily due to projected tax expense in profitable jurisdictions and the recognition of U.S. prepaid income tax due to intercompany transactions. The increase in income tax provision for the three months ended April 3, 2016 as compared to the three months ended March 29, 2015 is primarily due to the increase in projected foreign profits in the first quarter of fiscal 2016 as compared to the first quarter of fiscal 2015.

A material amount of our total revenue is generated from customers located outside of the United States, and a substantial portion of our assets and employees are located outside of the United States. U.S. income taxes and foreign withholding taxes have not been provided on the undistributed earnings of our non-U.S. subsidiaries as such earnings are intended to be indefinitely reinvested in operations outside the United States to the extent that such earnings have not been currently or previously subjected to taxation of the United States.

We record a valuation allowance to reduce our U.S. and French deferred tax assets to the amount that is more likely than not to be realized. In assessing the need for a valuation allowance, we consider historical levels of income, expectations and risks associated with the estimates of future taxable income and ongoing prudent and feasible tax planning strategies. In the event we determine that we would be able to realize additional deferred tax assets in the future in excess of the net recorded amount, or if we subsequently determine that realization of an amount previously recorded is unlikely, we would record an

adjustment to the deferred tax asset valuation allowance, which would change income tax in the period of adjustment. As of April 3, 2016, we believe there is insufficient evidence to realize additional deferred tax assets.

Equity in Earnings (Loss) of Unconsolidated Investees

	Three Months Ended		
(In thousands)	**April 3, 2016**	**March 29, 2015**	**% Change**
Equity in earnings (loss) of unconsolidated investees	$ (764)	$ 2,191	(135)%
As a percentage of revenue	— %	—%	

In the three months ended April 3, 2016 and March 29, 2015, our equity in earnings of unconsolidated investees was a net loss of $0.8 million, and a net gain of $2.2 million, respectively. The decrease between the two periods was primarily due to our share of the losses generated by the activities of the 8point3 Group and CCPV in the first quarter of fiscal 2016.

Net Loss

	Three Months Ended		
(In thousands)	**April 3, 2016**	**March 29, 2015**	**% Change**
Net loss	$ (101,417)	$ (29,050)	249%

Net loss increased by $72.4 million in the three months ended April 3, 2016 as compared to the three months ended March 29, 2015. The increase in net loss was primarily driven by: (i) a $39.3 million decrease in gross margin, primarily due to the substantial completion of certain large-scale solar power projects during the second half of fiscal 2015 and because we deferred of all profit on the sale of a project involving real estate to 8point3 Energy Partners in the first quarter of fiscal 2016 pursuant to real estate accounting guidelines; (ii) a $32.1 million increase in operating expenses due to increased marketing spend and increased headcount in R&D and sales departments; (iii) a $3.0 million decrease in equity in earnings of unconsolidated investees due to the activities of the 8point3 Group and CCPV in the first quarter of fiscal 2016; (iv) a $0.8 million increase in provision for income taxes; and (v) a $0.7 million increase in other expense, net. The increase in net loss was partially offset by a $3.5 million decrease in restructuring charges due to the substantial completion of the activities associated with legacy restructuring plans approved in fiscal 2014, 2012 and 2011.

Information about other significant variances in our results of operations is described above.

Net Loss Attributable to Noncontrolling Interests and Redeemable Noncontrolling Interests

	Three Months Ended		
(In thousands)	**April 3, 2016**	**March 29, 2015**	**% Change**
Net loss attributable to noncontrolling interests and redeemable noncontrolling interests	$ 16,008	$ 19,469	(18)%

We have entered into facilities with third-party investors under which the parties invest in entities that hold SunPower solar power systems and leases with residential customers. We determined that we hold controlling interests in these less-than-wholly-owned entities and have fully consolidated these entities as a result. We apply the hypothetical liquidation at book value method in allocating recorded net income (loss) to each investor based on the change in the reporting period, of the amount of net assets of the entity to which each investor would be entitled to under the governing contractual arrangements in a liquidation scenario.

In the three months ended April 3, 2016 and March 29, 2015, we attributed $16.0 million and $19.5 million, respectively, of net losses primarily to the third-party investors as a result of allocating certain assets, including tax credits and accelerated tax depreciation benefits, to the investors. The $3.5 million decrease in net loss attributable to noncontrolling interests and redeemable noncontrolling interests, is primarily attributable to a decrease in income per watt for leases placed in service under new facilities executed with third-party investors, partially offset by an increase in total number of leases placed in service under new and existing facilities with third-party investors.

Liquidity and Capital Resources

Cash Flows

A summary of the sources and uses of cash and cash equivalents is as follows:

	Three Months Ended	
(In thousands)	**April 3, 2016**	**March 29, 2015**
Net cash used in operating activities	$ (369,901)	$ (113,408)
Net cash used in investing activities	$ (91,808)	$ (63,321)
Net cash provided by (used in) financing activities	$ 61,585	$ (172,406)

Operating Activities

Net cash used in operating activities in the three months ended April 3, 2016 was $369.9 million and was primarily the result of: (i) a net loss of $101.4 million; (ii) a $179.4 million increase in project assets primarily related to the construction of our Commercial and Power Plant solar energy projects in North America; (iii) a $70.0 million decrease in accounts payable and other accrued liabilities, primarily attributable to payment of accrued compensation expenses; (iv) a $45.0 million increase in prepaid expenses and other assets, primarily related to deferred project costs on the construction of certain utility-scale projects; (v) a $44.0 million increase in long-term financing receivables related to our net investment in sales-type leases; (vi) an $18.2 million increase in inventories driven by construction of our solar energy projects; (vii) a $17.5 million increase in costs and estimated earnings in excess of billings driven by construction activities; (viii) a $5.1 million decrease in customer advances; and (ix) a $1.2 million net change in deferred income taxes. This was partially offset by: (i) other net non-cash charges of $59.8 million related to depreciation, non-cash interest charges and stock-based compensation; (ii) a $26.9 million increase in billings in excess of costs and estimated earnings driven by construction activities; (iii) a $12.6 million decrease in accounts receivable, primarily driven by the collection of retainage related to Solar Star Projects; (iv) an $11.9 million decrease in advance payments made to suppliers; and (v) a $0.8 million decrease in equity in earnings of unconsolidated investees.

Net cash used in operating activities in the three months ended March 29, 2015 was $113.4 million and was primarily the result of: (i) a net loss of $29.1 million; (ii) a $108.1 million increase in inventories driven by project assets for construction of solar power systems for Commercial and Power Plant projects in North America and purchases of polysilicon; (iii) a $93.2 million increase in project assets primarily related to our Quinto Solar Energy Project; (iv) a $51.8 million decrease in accounts payable and other accrued liabilities; (v) a $29.2 million increase in long-term financing receivables related to our net investment in sales-type leases; (vi) a $25.1 million increase in prepaid expenses and other assets driven by an increase in deferred costs related to the Solar Star Projects; (vii) a $10.1 million decrease in customer advances; (viii) a $5.1 million net change in deferred income taxes and other liabilities; and (ix) a $2.2 million increase in equity in earnings of unconsolidated investees. This was partially offset by: (i) a $141.0 million decrease in costs and estimated earnings in excess of billings driven by a decrease related to the Solar Star Projects; (ii) a $32.7 million decrease in accounts receivable; (iii) other net non-cash charges of $47.1 million related to depreciation, non-cash interest charges and stock-based compensation; (iv) a $13.9 million decrease in advance to suppliers; and (v) a $5.6 million increase in billings in excess of costs and estimated earnings driven by increase related to the Solar Star Projects.

Investing Activities

Net cash used in investing activities in the three months ended April 3, 2016 was $91.8 million, which included (i) $70.3 million in capital expenditures primarily related to the expansion of our solar cell manufacturing capacity and costs associated with solar power systems, leased and to be leased; (ii) $10.0 million in payments to 8point3 Energy Partners, (iii) $9.8 million paid for investments in consolidated and unconsolidated investees; and (iv) a $1.8 million increase in restricted cash.

Net cash used in investing activities in the three months ended March 29, 2015 was $63.3 million, which included: (i) $44.0 million related to capital expenditures primarily related to the expansion of our solar cell manufacturing capacity and costs associated with solar power systems, leased and to be leased; (ii) an $18.8 million increase in restricted cash; and (iii) a $0.5 million increase in intangibles.

Financing Activities

Net cash provided by financing activities in the three months ended April 3, 2016 was $61.6 million, which included: (i) $42.1 million in net proceeds from the issuance of non-recourse power plant and commercial financing, net of issuance costs; (ii) $27.3 million in net proceeds from the issuance of non-recourse residential financing, net of issuance costs (iii) $18.8 million of net contributions from noncontrolling interests and redeemable noncontrolling interests related to the residential lease projects. This was partially offset by: (i) $18.9 million in purchases of treasury stock for tax withholding obligations on vested restricted stock; and (ii) $7.7 million in repayments of bank loans and other debt.

Net cash used in financing activities in the three months ended March 29, 2015 was $172.4 million, which included: (i) $249.6 million in net payment to settle the 4.50% debentures due 2015 and the related hedge transactions; (ii) $38.7 million in purchases of stock for tax withholding obligations on vested restricted stock; (iii) $9.9 million of net repayments of residential lease financing and sale-leaseback financing; and (iv) $7.9 million in repayments of bank loans, project loans and other debt. This was partially offset by: (i) $90.0 million in proceeds from issuance of project loans; and (ii) $43.6 million of net contributions from noncontrolling interests and redeemable noncontrolling interests related to the residential lease program.

Debt and Credit Sources

Convertible Debentures

As of April 3, 2016, an aggregate principal amount of $425.0 million of the 4.00% debentures due 2023 remained issued and outstanding. The 4.00% debentures due 2023 were issued on December 15, 2015. Interest on the 4.00% debentures due 2023 is payable on January 15 and July 15 of each year, beginning on July 15, 2016. Holders are able to exercise their right to convert the debentures at any time into shares of our common stock at an initial conversion price approximately equal to $30.53 per share, subject to adjustment in certain circumstances. If not earlier repurchased or converted, the 4.00% debentures due 2023 mature on January 15, 2023. Holders may require us to repurchase all or a portion of their 4.00% debentures due 2023, upon a fundamental change, as described in the related indenture, at a cash repurchase price equal to 100% of the principal amount plus accrued and unpaid interest. If we undergo a non-stock change of control fundamental change, as described in the related indenture, the 4.00% debentures due 2023 will be subject to redemption at our option, in whole but not in part, for a period of 30 calendar days following a repurchase date relating to the non-stock change of control fundamental change, at a cash redemption price equal to 100% of the principal amount plus accrued and unpaid interest. Otherwise, the 4.00% debentures due 2023 are not redeemable at our option prior to the maturity date. In the event of certain events of default, Wells Fargo Bank, National Association ("Wells Fargo"), the trustee, or the holders of a specified amount of then-outstanding 4.00% debentures due 2023 will have the right to declare all amounts then outstanding due and payable.

As of April 3, 2016, an aggregate principal amount of $400.0 million of the 0.875% debentures due 2021 remained issued and outstanding. The 0.875% debentures due 2021 were issued on June 11, 2014. Interest on the 0.875% debentures due 2021 is payable on June 1 and December 1 of each year. Holders are able to exercise their right to convert the debentures at any time into shares of our common stock at an initial conversion price approximately equal to $48.76 per share, subject to adjustment in certain circumstances. If not earlier repurchased or converted, the 0.875% debentures due 2021 mature on June 1, 2021. Holders may require us to repurchase all or a portion of their 0.875% debentures due 2021, upon a fundamental change, as described in the related indenture, at a cash repurchase price equal to 100% of the principal amount plus accrued and unpaid interest. If we undergo a non-stock change of control fundamental change, as described in the related indenture, the 0.875% debentures due 2021 will be subject to redemption at our option, in whole but not in part, for a period of 30 calendar days following a repurchase date relating to the non-stock change of control fundamental change, at a cash redemption price equal to 100% of the principal amount plus accrued and unpaid interest. Otherwise, the 0.875% debentures due 2021 are not redeemable at our option prior to the maturity date. In the event of certain events of default, Wells Fargo, the trustee, or the holders of a specified amount of then-outstanding 0.875% debentures due 2021 will have the right to declare all amounts then outstanding due and payable.

As of April 3, 2016, an aggregate principal amount of $300.0 million of the 0.75% debentures due 2018 remained issued and outstanding. The 0.75% debentures due 2018 were issued on May 29, 2013. Interest on the 0.75% debentures due 2018 is payable on June 1 and December 1 of each year. Holders are able to exercise their right to convert the debentures at any time into shares of our common stock at an initial conversion price equal to $24.95 per share. The applicable conversion rate may be subject to adjustment in certain circumstances. If not earlier converted, the 0.75% debentures due 2018 mature on June 1, 2018. Holders may require us to repurchase all or a portion of their 0.75% debentures due 2018, upon a fundamental change, as described in the related indenture, at a cash repurchase price equal to 100% of the principal amount plus accrued and unpaid interest. If we undergo a non-stock change of control fundamental change, as described in the related indenture, the 0.75% debentures due 2018 will be subject to redemption at our option, in whole but not in part, for a period of 30 calendar days following a repurchase date relating to the non-stock change of control fundamental change, at a cash redemption price equal to 100% of the principal amount plus accrued and unpaid interest. Otherwise, the 0.75% debentures due 2018 are not redeemable

at our option prior to the maturity date. In the event of certain events of default, Wells Fargo, the trustee, or the holders of a specified amount of then-outstanding 0.75% debentures due 2018 will have the right to declare all amounts then outstanding due and payable. Please see "Part I. Item 1A. Risk Factors —Risks Related to our Debt and Equity Securities—Conversion of our outstanding 0.75% debentures, 0.875% debentures, 4.00% debentures, and future substantial issuances or dispositions of our common stock or other securities, could dilute ownership and earnings per share or cause the market price of our stock to decrease" in our Annual Report on Form 10-K for the fiscal year ended January 3, 2016.

Mortgage Loan Agreement with IFC

On May 6, 2010, we entered into a mortgage loan agreement with IFC. Under the loan agreement, we borrowed $75.0 million and are required to repay the amount borrowed starting two years after the date of borrowing, in 10 equal semiannual installments over the following 5 years. We are required to pay interest of LIBOR plus 3% per annum on outstanding borrowings; a front-end fee of 1% on the principal amount of borrowings at the time of borrowing; and a commitment fee of 0.5% per annum on funds available for borrowing and not borrowed. We may prepay all or a part of the outstanding principal, subject to a 1% prepayment premium. We have pledged certain assets as collateral supporting repayment obligations.

As of April 3, 2016, we had $25.0 million outstanding under the mortgage loan agreement. Additionally, in accordance with the terms of the mortgage loan agreement, we are required to establish a debt service reserve account which shall contain the amount, as determined by IFC, equal to the aggregate principal and interest due on the next succeeding interest payment date after such date. As of April 3, 2016, we had restricted cash and cash equivalents of $9.2 million related to the IFC debt service reserve.

Loan Agreement with California Enterprise Development Authority ("CEDA")

On December 29, 2010, we borrowed from CEDA the proceeds of the $30.0 million aggregate principal amount of CEDA's tax-exempt Recovery Zone Facility Revenue Bonds (SunPower Corporation - Headquarters Project) Series 2010 (the "Bonds") maturing April 1, 2031 under a loan agreement with CEDA. Certain of our obligations under the loan agreement were contained in a promissory note dated December 29, 2010 issued by us to CEDA, which assigned the promissory note, along with all right, title and interest in the loan agreement, to Wells Fargo, as trustee, with respect to the Bonds for the benefit of the holders of the Bonds. The Bonds bear interest at a fixed-rate of 8.50% per annum.

As of April 3, 2016, the $30.0 million aggregate principal amount of the Bonds was classified as "Long-term debt" in our Consolidated Balance Sheets.

Revolving Credit Facility with Credit Agricole

On July 3, 2013, we entered into a revolving credit agreement with Credit Agricole, as administrative agent, and certain financial institutions, under which we may borrow up to $250.0 million. On August 26, 2014, we entered into an amendment to the revolving credit facility that extends, among other things, the maturity date of the facility from July 3, 2016 to August 26, 2019 (the "Maturity Date"). Amounts borrowed may be repaid and reborrowed until the Maturity Date. On February 17, 2016, the Company entered into an amendment to the credit agreement, expanding the available borrowings under the revolving credit facility to $300.0 million and adding a $200.0 million letter of credit subfacility, subject to the satisfaction of certain conditions. The revolving credit facility includes representations, covenants, and events of default customary for financing transactions of this type. The revolving credit facility was entered into in conjunction with the delivery by Total S.A. of a guarantee of our obligations under the facility. On January 31, 2014, (i) our obligations under the revolving credit facility became secured by a pledge of certain accounts receivable and inventory, (ii) certain of our subsidiaries entered into guaranties of the revolving credit facility, and (iii) Total S.A.'s guarantee of our obligations under the revolving credit facility expired.

We are required to pay (a) interest on outstanding borrowings under the facility of (i) with respect to any LIBOR rate loan, an amount ranging from 1.50% to 2.00% (depending on our leverage ratio from time to time) plus the LIBOR rate divided by a percentage equal to one minus the stated maximum rate of all reserves required to be maintained against "Eurocurrency liabilities" as specified in Regulation D; and (ii) with respect to any alternate base rate loan, an amount ranging from 0.50% to 1.00% (depending on our leverage ratio from time to time) plus the greater of (1) the prime rate, (2) the Federal Funds rate plus 0.50%, and (3) the one-month LIBOR rate plus 1%; and (b) a commitment fee ranging from 0.25% to 0.35% (depending on our leverage ratio from time to time) per annum on funds available for borrowing and not borrowed. We will be required to pay interest on letters of credit under the agreement of (a) with respect to any performance letter of credit, an amount ranging from 0.90% to 1.20% (depending on our leverage ratio from time to time); and (b) with respect to any other letter of credit, an amount ranging from 1.50% to 2.00% (depending on our leverage ratio from time to time).

As of April 3, 2016, we had $37.6 million of outstanding borrowings under the revolving credit facility, all of which were related to letters of credit.

August 2011 Letter of Credit Facility with Deutsche Bank

On August 9, 2011, we entered into a letter of credit facility agreement with Deutsche Bank, as issuing bank and as administrative agent, and certain financial institutions. Payment of obligations under the letter of credit facility is guaranteed by Total S.A. pursuant to the Credit Support Agreement between us and Total S.A. The letter of credit facility provides for the issuance, upon our request, of letters of credit by the issuing banks thereunder in order to support certain of our obligations. Aggregate letter of credit amounts may be increased upon the agreement of the parties but, otherwise, may not exceed $1.0 billion for the period from January 1, 2016 through June 28, 2016. Each letter of credit issued under the letter of credit facility must have an expiration date no later than the second anniversary of the issuance of that letter of credit, provided that up to 15% of the outstanding value of the letters of credit may have an expiration date of between two and three years from the date of issuance.

As of April 3, 2016, letters of credit issued under the August 2011 letter of credit facility with Deutsche Bank totaled $266.4 million.

September 2011 Letter of Credit Facility with Deutsche Bank and Deutsche Bank Trust Company Americas (together, "Deutsche Bank Trust")

On September 27, 2011, we entered into a letter of credit facility with Deutsche Bank Trust which provides for the issuance, upon request by us, of letters of credit to support our obligations in an aggregate amount not to exceed $200.0 million. Each letter of credit issued under the facility is fully cash-collateralized and we have entered into a security agreement with Deutsche Bank Trust, granting them a security interest in a cash collateral account established for this purpose.

As of April 3, 2016 letters of credit issued under the Deutsche Bank Trust facility amounted to $8.8 million, which were fully collateralized with restricted cash as classified on the Consolidated Balance Sheets.

Revolving Credit Facility with Mizuho and Goldman Sachs

On May 4, 2016, we entered into a revolving credit facility with Mizuho Bank Ltd. (as administrative agent) and Goldman Sachs Bank USA, under which we may borrow up to $200 million. The Credit Facility also includes a $100 million accordion feature. Amounts borrowed under the Credit Facility may be repaid and reborrowed in support of our commercial and small scale utility projects in the United States until the May 4, 2021 maturity date. The Credit Facility includes representations, covenants, and events of default customary for financing transactions of this type.

Borrowings under the Credit Facility will bear interest at the applicable LIBOR rate plus 1.50% for the first two years (with the final year at 1.75%). All outstanding indebtedness under the Credit Facility may be voluntarily prepaid in whole or in part without premium or penalty (with certain limitations to partial repayments), other than customary breakage costs. The Credit Facility is secured by the assets of, and equity in, the various project companies to which the borrowings relate, but is otherwise non-recourse to us and our other affiliates.

Non-recourse Financing and Other Debt

In order to facilitate the construction, sale or ongoing operation of certain solar projects, including our residential leasing program, we regularly obtains project-level financing. These financings are secured either by the assets of the specific project being financed or by our equity in the relevant project entity and do not have recourse to the general assets of the Company for repayment of such debt obligations, and hence are referred to as non-recourse. Non-recourse financing is typically in the form of loans from third-party financial institutions, but also takes other forms, including "flip partnership" structures, sale-leaseback arrangements, or other forms commonly used in the solar or similar industries. We may seek non-recourse financing covering solely the construction period of the solar project or may also seek financing covering part or all of the operating life of the solar project. We classify non-recourse financings in our Consolidated Balance Sheets in accordance with their terms; however, in certain circumstances, we may repay or refinance these financings prior to stated maturity dates in connection with the sale of the related project or similar such circumstances. In addition, in certain instances, the customer may assume the loans at the time that the project entity is sold to the customer. In these instances, subsequent debt assumption is reflected as a financing outflow and operating inflow in the Consolidated Statements of Cash Flows to reflect the substance of the assumption as a facilitation of customer financing from a third party.

For our residential lease program, non-recourse financing is typically accomplished by aggregating an agreed-upon volume of solar power systems and leases with residential customers into a specific project entity. The Company has entered into the following non-recourse financings with respect to its residential lease program:

In fiscal 2016, we entered into bridge loans to finance solar power systems and leases under our residential lease program. The loans are repaid over terms ranging from two to seven years. Some loans may be prepaid without penalties at our option at any time, while other loans may be prepaid, subject to a prepayment fee, after one year. During the three months ended April 3, 2016, we had net proceeds of $17.0 million in connection with these loans. As of April 3, 2016, the aggregate carrying amount of these loans, presented in "Short-term debt" and "Long-term debt" on our Consolidated Balance Sheets, was $18.4 million.

In fiscal 2014 and 2015, we entered into long-term loans to finance solar power systems and leases under its residential lease program. The loans are repaid over their terms of between 17 and 18 years, and may be prepaid without penalty at our option beginning seven years after the original issuance of the loan. During the three months ended April 3, 2016 and March 29, 2015, we had net proceeds (repayments) of $3.2 million and $(0.4) million, respectively, in connection with these loans. As of April 3, 2016, and January 3, 2016, the aggregate carrying amount of these loans, presented in "Short-term debt" and "Long-term debt" on our Consolidated Balance Sheets, was $176.3 million and $171.8 million, respectively.

We have entered into multiple arrangements under which solar power systems are financed by third-party investors or customers, including by a legal sale of the underlying asset that is accounted for as a borrowing under relevant accounting guidelines as the requirements to recognize the transfer of the asset were not met. Under the terms of these arrangements the third parties make an upfront payment to us, which we recognize as a liability that will be reduced over the term of the arrangement as lease receivables and government incentives are received by the third party. As the liability is reduced, we make a corresponding reduction in receivables. We use this approach to account for both operating and sales-type leases with its residential lease customers in our consolidated financial statements. During the three months ended April 3, 2016 and March 29, 2015, we had net proceeds (repayments) of $7.1 million and $(10.5) million, respectively, in connection with these facilities. As of April 3, 2016, and January 3, 2016, the aggregate carrying amount of these facilities, presented in "Accrued liabilities" and "Other long-term liabilities" on our Consolidated Balance Sheets, was $42.7 million and $36.8 million, respectively (see Note 4).

We also enter into third-party financing facilities with tax equity investors under which the investors invest in these entities in a structure known as a partnership flip. We hold controlling interests in these less-than-wholly-owned entities and therefore fully consolidate these entities. We account for the portion of net assets in the consolidated entities attributable to the investors as noncontrolling interests in our consolidated financial statements. Noncontrolling interests in subsidiaries that are redeemable at the option of the noncontrolling interest holder are classified accordingly as redeemable, between liabilities and equity on the Company's Consolidated Balance Sheets. During the three months ended April 3, 2016 and March 29, 2015, we had net contributions of $18.8 million and $43.6 million, respectively, under these facilities and attributed losses of $16.7 million and $19.6 million, respectively, to the non-controlling interests corresponding principally to certain assets, including tax credits, which were allocated to the non-controlling interests during the periods. As of April 3, 2016 and January 3, 2016, the aggregate carrying amount of these facilities, presented in “Redeemable non-controlling interests in subsidiaries” and “Non-controlling interests in subsidiaries” on our Consolidated Balance Sheets, was $131.4 million and $128.6 million, respectively.

For our power plant and commercial solar projects, non-recourse financing is typically accomplished using an individual solar power system or a series of solar power systems with a common end customer, in each case owned by a specific project entity. We have entered into the following non-recourse financings with respect to our power plant and commercial projects:

In fiscal 2016, we entered into a long-term credit facility to finance several related utility-scale power plant projects in California, including the Stanford and Turlock projects, with an aggregate size of approximately 350 MW. During the three months ended April 3, 2016, we had net proceeds of $79.4 million in connection with the facility. As of April 3, 2016, the aggregate carrying amount of this facility, presented in "Short-term debt" and "Long-term debt" on our Consolidated Balance Sheets, was $84.3 million.

In fiscal 2015, we entered into a long-term credit facility to finance the 128 MW utility-scale Henrietta utility-scale power plant in California. As of both April 3, 2016 and January 3, 2016, the aggregate carrying amount of this loan, presented in "Short-term debt" and "Long-term debt" on our Consolidated Balance Sheets, was $216.7 million.

In fiscal 2015, we entered into a long-term credit facility to finance the 60 MW Hooper utility-scale power plant in Colorado. In fiscal 2016, we repaid the full amount outstanding. During the three months ended April 3, 2016, we had net

repayments of $37.3 million in connection with the facility. As of January 3, 2016, the carrying amount of this facility, presented in "Long-term debt" on our Consolidated Balance Sheets, was $37.3 million.

In fiscal 2013, we entered into a long-term loan agreement to finance a 5.4 MW utility and power plant operating in Arizona. As of both April 3, 2016, and January 3, 2016, the aggregate carrying amount under this loan, presented in "Short-term debt" and "Long-term debt" on our Consolidated Balance Sheets, was $8.1 million.

Other debt is further composed of non-recourse project loans in EMEA, which are scheduled to mature through 2028.

See Note 5 for discussion of the Company’s sale-leasebacks accounted for under the financing method.

Liquidity

As of April 3, 2016, we had unrestricted cash and cash equivalents of $555.2 million as compared to $954.5 million as of March 29, 2015. Our cash balances are held in numerous locations throughout the world and as of April 3, 2016, we had approximately $146.5 million held outside of the United States. This offshore cash is used to fund operations of our business in the Europe and Asia Pacific regions as well as non-U.S. manufacturing operations, which require local payment for product materials and other expenses. The amounts held outside of the United States represent the earnings of our foreign subsidiaries which, if repatriated to the United States under current law, would be subject to United States federal and state tax less applicable foreign tax credits. Repatriation of earnings that have not been subjected to U.S. or foreign withholding tax and that have been indefinitely reinvested outside the U.S. could result in additional United States federal income tax or foreign withholding tax payments in future years.

On July 5, 2010, we formed AUOSP, our joint venture with AUO. Under the terms of the joint venture agreement, we and AUO each own 50% of AUOSP. We are each obligated to provide additional funding to AUOSP in the future. Under the joint venture agreement, each shareholder agreed to contribute additional amounts to the joint venture amounting to $169.0 million, or such lesser amount as the parties may mutually agree (see the Contractual Obligations table below). In addition, if AUOSP, or either shareholder requests additional equity financing for AUOSP, then the shareholders will each be required to make additional cash contributions of up to $50.0 million in the aggregate. See also "Part I. Item 1A. Risk Factors—Risks Related to Our Operations—If we experience interruptions in the operation of our solar cell production lines, or we are not successful in operating our joint venture AUOSP, our revenue and results of operations may be materially and adversely affected" in our Annual Report on Form 10-K for the fiscal year ended January 3, 2016.

We expect total capital expenditures related to purchases of property, plant and equipment in the range of $210 million to $260 million in fiscal 2016 in order to increase our manufacturing capacity, improve our current and next generation solar cell manufacturing technology, and other projects. In addition, we expect to invest a significant amount of capital to develop solar power systems and plants for sale to customers. The development of solar power plants can require long periods of time and substantial initial investments. Our efforts in this area may consist of all stages of development, including land acquisition, permitting, financing, construction, operation and the eventual sale of the projects. We often choose to bear the costs of such efforts prior to the final sale to a customer, which involves significant upfront investments of resources (including, for example, large transmission deposits or other payments, which may be non-refundable), land acquisition, permitting, legal and other costs, and in some cases the actual costs of constructing a project, in advance of the signing of PPAs and EPC contracts and the receipt of any revenue, much of which is not recognized for several additional months or years following contract signing. Any delays in disposition of one or more projects could have a negative impact on our liquidity.

Certain of our customers also require performance bonds issued by a bonding agency or letters of credit issued by financial institutions, which are returned to us upon satisfaction of contractual requirements. If there is a contractual dispute with the customer, the customer may withhold the security or make a draw under such security, which could have an adverse impact on our liquidity. Obtaining letters of credit may require adequate collateral. All letters of credit issued under our August 2011 Deutsche Bank facility are guaranteed by Total S.A. pursuant to the Credit Support Agreement. Our September 2011 letter of credit facility with Deutsche Bank Trust is fully collateralized by restricted cash, which reduces the amount of cash available for operations. As of April 3, 2016, letters of credit issued under the Deutsche Bank Trust facility amounted to $8.8 million which were fully collateralized with restricted cash on the Consolidated Balance Sheets.

In fiscal 2011, we launched our residential lease program with dealers in the United States, in partnership with a third-party financial institution, which allows customers to obtain SunPower systems under lease agreements up to 20 years, subject to financing availability. We have entered into facilities with financial institutions that will provide financing to support additional residential solar lease projects. Under the terms of certain programs we receive upfront payments for periods under which the third-party financial institution has agreed to assume collection risk for certain residential leases. Changes in the

amount or timing of upfront payments received from the financial institutions may have an impact on our cash position within the next twelve months. The normal collection of monthly rent payments for leases placed in service is not expected to have a material impact on our cash position within the next twelve months. We have entered into multiple facilities with third-party investors under which both parties will invest in entities that hold SunPower solar power systems and leases with residential customers. We determined that we hold a controlling interest in these less-than-wholly-owned entities and have fully consolidated these entities as a result (see "Item 1. Financial Statements—Notes to Consolidated Financial Statements—Note 5. Leasing"). During the three months ended April 3, 2016, we received $24.1 million in contributions from investors under the related facility agreements. Additionally, during fiscal 2014, 2015 and 2016, we entered into several long-term non-recourse loans to finance solar power systems and leases under our residential lease program. In fiscal 2016, we drew down $4.3 million of proceeds, net of issuance costs, under the loan agreements. The loans have 17- and 18-year terms and as of April 3, 2016, the short-term and long-term balances of the loans were $4.4 million and $171.9 million, respectively. We are actively arranging additional third-party financing for our residential lease program; however, the credit markets are unpredictable, and if they become challenging, we may be unable to arrange additional financing partners for our residential lease program in future periods, which could have a negative impact on our sales. In the unlikely event that we enter into a material number of additional leases without promptly obtaining corresponding third-party financing, our cash and working capital could be negatively affected.

Solar power plant projects often require significant up-front investments. These include payments for preliminary engineering, permitting, legal, and other expenses before we can determine whether a project is feasible. We often make arrangements with third-party financiers to acquire and build solar power systems or to fund project construction using non-recourse project debt. As of April 3, 2016, outstanding amounts related to our project financing totaled $502.6 million.

We believe that our current cash, cash equivalents and cash expected to be generated from operations will be sufficient to meet our working capital and fund our committed capital expenditures over the next 12 months, including the development and construction of solar power systems and plants. We expect to be able to supplement this short-term liquidity, if necessary, with broad access to capital markets and credit facilities, including non-recourse debt, made available by various domestic and foreign financial institutions. However, there can be no assurance that our liquidity will be adequate over time. A significant portion of our revenue is generated from a limited number of customers and large projects and our inability to execute these projects, or to collect from these customers or for these projects, would have a significant negative impact on our business. Our capital expenditures and use of working capital may be greater than we expect if we decide to make additional investments in the development and construction of solar power plants and sales of power plants and associated cash proceeds are delayed, or if we decide to accelerate increases in our manufacturing capacity internally or through capital contributions to joint ventures. We require project financing in connection with the construction of solar power plants, which financing may not be available on terms acceptable to us. In addition, we could in the future make additional investments in our joint ventures or guarantee certain financial obligations of our joint ventures, which could reduce our cash flows, increase our indebtedness and expose us to the credit risk of our joint venture*s.* See also "Risks Related to Our Sales Channels—A limited number of customers and large projects are expected to continue to comprise a significant portion of our revenues and any decrease in revenues from those customers or projects, payment of liquidated damages, or an increase in related expenses, could have a material adverse effect on our business, results of operations and financial condition," and "Risks Related to Our Liquidity—We may be unable to generate sufficient cash flows or obtain access to external financing necessary to fund our operations and make adequate capital investments as planned due to the general economic environment and the continued market pressure driving down the average selling prices of our solar power products," among other factors in Part I. "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended January 3, 2016.

On February 17, 2016, we entered into an amendment to the credit agreement with Credit Agricole to expand the available borrowings under the revolving credit facility to $300.0 million and to add a $200.0 million letter of credit subfacility, subject to the satisfaction of certain conditions. As of April 3, 2016, we had $262.4 million available to us under the revolving credit facility. Proceeds from our revolving credit facility with Credit Agricole may be used for general corporate purposes. However, there are no assurances that we will have sufficient available cash to repay our indebtedness or we will be able to refinance such indebtedness on similar terms to the expiring indebtedness. If our capital resources are insufficient to satisfy our liquidity requirements, we may seek to sell additional equity securities or debt securities or obtain other debt financing. The current economic environment, however, could limit our ability to raise capital by issuing new equity or debt securities on acceptable terms, and lenders may be unwilling to lend funds on acceptable terms in the amounts that would be required to supplement cash flows to support operations. The sale of additional equity securities or convertible debt securities would result in additional dilution to our stockholders (and the potential for further dilution upon the exercise of warrants or the conversion of convertible debt) and may not be available on favorable terms or at all, particularly in light of the current conditions in the financial and credit markets. Additional debt would result in increased expenses and would likely impose new restrictive covenants which may be similar or different than those restrictions contained in the covenants under our current loan

agreements and debentures. In addition, financing arrangements, including project financing for our solar power plants and letters of credit facilities, may not be available to us, or may not be available in amounts or on terms acceptable to us.

Contractual Obligations

The following table summarizes our contractual obligations as of April 3, 2016:

		Payments Due by Fiscal Period			
(In thousands)	**Total**	**2016 (remaining nine months)**	**2017-2018**	**2019-2020**	**Beyond 2020**
Convertible debt, including interest[1]	$ 1,263,612	$ 17,252	$ 344,194	$ 41,000	$ 861,166
IFC mortgage loan, including interest[2]	25,864	8,095	17,769	—	—
CEDA loan, including interest[3]	68,272	1,934	5,100	5,100	56,138
Other debt, including interest[4]	652,838	60,460	82,258	81,528	428,592
Future financing commitments[5]	182,801	179,632	3,169	—	—
Operating lease commitments[6]	132,289	14,123	28,415	24,817	64,934
Sale-leaseback financing[7]	102,480	6,960	15,735	13,706	66,079
Capital lease commitments[8]	5,893	1,260	2,037	1,188	1,408
Non-cancellable purchase orders[9]	249,300	249,300	—	—	—
Purchase commitments under agreements[10]	1,481,414	590,086	550,800	337,528	3,000
Total	$ 4,164,763	$ 1,129,102	$ 1,049,477	$ 504,867	$ 1,481,317

[1] Convertible debt, including interest, relates to the aggregate of $1,125.0 million in outstanding principal amount of our senior convertible debentures on April 3, 2016. For the purpose of the table above, we assume that all holders of the outstanding debentures will hold the debentures through the date of maturity, and upon conversion, the values of the senior convertible debentures will be equal to the aggregate principal amount with no premiums.

[2] IFC mortgage loan, including interest, relates to the $25.0 million outstanding principal amount as of April 3, 2016. Under the loan agreement, we are required to repay the amount borrowed, starting 2 years after the date of borrowing, in 10 equal semiannual installments over the following 5 years. We are required to pay interest of LIBOR plus 3% per annum on outstanding borrowings; a front-end fee of 1% on the principal amount of borrowings at the time of borrowing; and a commitment fee of 0.5% per annum on funds available for borrowing and not borrowed.

[3] CEDA loan, including interest, relates to the proceeds of the $30.0 million aggregate principal amount of the Bonds. The Bonds mature on April 1, 2031 and bear interest at a fixed rate of 8.50% through maturity.

[4] Other debt, including interest, primarily relates to non-recourse finance projects and solar power systems and leases under our residential lease program as described in "Item 1. Financial Statements—Notes to Consolidated Financial Statements—Note 8. Commitments and Contingencies."

[5] We and AUO agreed in the joint venture agreement to contribute additional amounts to AUOSP through 2016 amounting to $169.0 million by each shareholder, or such lesser amount as the parties may mutually agree. Further, in connection with purchase and joint venture agreements with non-public companies, we will be required to provide additional financing to such parties of up to $13.8 million, subject to certain conditions.

[6] Operating lease commitments primarily relate to certain solar power systems leased from unaffiliated third parties over minimum lease terms of up to 20 years and various facility lease agreements.

[7] Sale-leaseback financing relates to future minimum lease obligations for solar power systems under sale-leaseback arrangements which were determined to include integral equipment and accounted for under the financing method.

[8] Capital lease commitments primarily relate to certain buildings, manufacturing and equipment under capital leases in Europe for terms of up to 12 years.

[9] Non-cancellable purchase orders relate to purchases of raw materials for inventory and manufacturing equipment from a variety of vendors.

[10] Purchase commitments under agreements relate to arrangements entered into with several suppliers, including joint ventures, for polysilicon, ingots, wafers, and Solar Renewable Energy Credits, among others. These agreements specify future quantities and pricing of products to be supplied by the vendors for periods up to 8 years and there are certain consequences, such as forfeiture of advanced deposits and liquidated damages relating to previous purchases, in the event that we terminate the arrangements. During fiscal 2015, we did not fulfill all of the purchase commitments we were otherwise obligated to take by December 31, 2015, as specified in related contracts with a supplier. As of April 3, 2016, the Company has recorded an offsetting asset, recorded within "Prepaid expenses and other current assets," and liability, recorded within "Accrued liabilities," totaling $50.6 million. This amount represents the unfulfilled amount as of that date as the Company expects to satisfy the obligation via purchases of inventory in fiscal 2016, within the applicable contractual cure period.

Liabilities Associated with Uncertain Tax Positions

Due to the complexity and uncertainty associated with our tax positions, we cannot make a reasonably reliable estimate of the period in which cash settlement will be made for our liabilities associated with uncertain tax positions in other long-term liabilities. Therefore, they have been excluded from the table above. As of April 3, 2016, total liabilities associated with uncertain tax positions were $42.8 million and are included in "Other long-term liabilities" in our Consolidated Balance Sheets as they are not expected to be paid within the next twelve months.

Off-Balance-Sheet Arrangements

As of April 3, 2016, we did not have any significant off-balance-sheet arrangements, as defined in Item 303(a)(4)(ii) of SEC Regulation S-K.

ITEM 3: *QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK*

Foreign Currency Exchange Risk

Our exposure to movements in foreign currency exchange rates is primarily related to sales to European customers that are denominated in Euros. Revenue generated from European customers represented 5% and 8% of our total revenue in the three months ended April 3, 2016 and March 29, 2015, respectively. A 10% change in the Euro exchange rate would have impacted our revenue by approximately $1.8 million and $3.5 million in the three months ended April 3, 2016 and March 29, 2015, respectively.

In the past, we have experienced an adverse impact on our revenue, gross margin and profitability as a result of foreign currency fluctuations. When foreign currencies appreciate against the U.S. dollar, inventories and expenses denominated in foreign currencies become more expensive. Strengthening of the Malaysian Ringgit against the U.S. dollar would increase AUOSP's liability under the facility agreement with the Malaysian government which in turn would negatively impact our equity in earnings (loss) of the unconsolidated investee. An increase in the value of the U.S. dollar relative to foreign currencies could make our solar power products more expensive for international customers, thus potentially leading to a reduction in demand, our sales and profitability. Furthermore, many of our competitors are foreign companies that could benefit from such a currency fluctuation, making it more difficult for us to compete with those companies.

We currently conduct hedging activities which involve the use of option and forward currency contracts that are designed to address our exposure to changes in the foreign exchange rate between the U.S. dollar and other currencies. As of April 3, 2016, we had outstanding hedge option currency contracts and forward currency contracts with aggregate notional values of $27.9 million and $82.3 million, respectively. As of January 3, 2016, we had outstanding hedge option currency contracts and forward currency contracts with aggregate notional values of zero and $35.7 million, respectively. Because we hedge some of our expected future foreign exchange exposure, if associated revenues do not materialize we could experience a reclassification of ineffective gains or losses into earnings. Such a reclassification could adversely impact our revenue, margins and results of operations. We cannot predict the impact of future exchange rate fluctuations on our business and operating results.

Credit Risk

We have certain financial and derivative instruments that subject us to credit risk. These consist primarily of cash and cash equivalents, restricted cash and cash equivalents, investments, accounts receivable, notes receivable, advances to suppliers, foreign currency option contracts, foreign currency forward contracts, bond hedge and warrant transactions. We are exposed to credit losses in the event of nonperformance by the counterparties to our financial and derivative instruments. Our investment policy requires cash and cash equivalents, restricted cash and cash equivalents, and investments to be placed with high-quality financial institutions and limits the amount of credit risk from any one issuer. We additionally perform ongoing credit evaluations of our customers' financial condition whenever deemed necessary and generally do not require collateral.

We enter into agreements with vendors that specify future quantities and pricing of polysilicon to be supplied for periods up to 10 years. Under certain agreements, we are required to make prepayments to the vendors over the terms of the arrangements. As of April 3, 2016 and January 3, 2016, advances to suppliers totaled $347.2 million and $359.1 million, respectively. Two suppliers accounted for 84% and 15% of total advances to suppliers as of April 3, 2016, and 82% and 16% as of January 3, 2016.

We enter into foreign currency derivative contracts and convertible debenture hedge transactions with high-quality financial institutions and limit the amount of credit exposure to any single counterparty. The foreign currency derivative contracts are limited to a time period of 15 months or less. We regularly evaluate the credit standing of our counterparty financial institutions.

Interest Rate Risk

We are exposed to interest rate risk because many of our customers depend on debt financing to purchase our solar power systems. An increase in interest rates could make it difficult for our customers to obtain the financing necessary to purchase our solar power systems on favorable terms, or at all, and thus lower demand for our solar power products, reduce revenue and adversely impact our operating results. An increase in interest rates could lower a customer's return on investment in a system or make alternative investments more attractive relative to solar power systems, which, in each case, could cause our customers to seek alternative investments that promise higher returns or demand higher returns from our solar power systems, reduce gross margin and adversely impact our operating results. This risk is significant to our business because our

sales model is highly sensitive to interest rate fluctuations and the availability of credit, and would be adversely affected by increases in interest rates or liquidity constraints.

Our interest expense would increase to the extent interest rates rise in connection with our variable interest rate borrowings. As of April 3, 2016, the outstanding principal balance of our variable interest borrowings was $353.8 million. We do not believe that an immediate 10% increase in interest rates would have a material effect on our financial statements. In addition, lower interest rates would have an adverse impact on our interest income. Our investment portfolio primarily consists of $160.9 million in money market funds as of April 3, 2016 which exposes us to interest rate risk. Due to the relatively short-term nature of our investment portfolio, we do not believe that an immediate 10% increase in interest rates would have a material effect on the fair market value of our money market funds. Since we believe we have the ability to liquidate substantially all of this portfolio, we do not expect our operating results or cash flows to be materially affected to any significant degree by a sudden change in market interest rates on our investment portfolio.

Equity Price Risk Involving Minority Investments in Joint Ventures and Other Non-Public Companies

Our investments held in joint ventures and other non-public companies expose us to equity price risk. As of April 3, 2016 and January 3, 2016, investments of $177.5 million and $186.4 million, respectively, are accounted for using the equity method, and $45.6 million and $36.4 million, respectively, are accounted for using the cost method. These strategic investments in third parties are subject to risk of changes in market value, which if determined to be other-than-temporary, could result in realized impairment losses. We generally do not attempt to reduce or eliminate our market exposure in equity and cost method investments. We monitor these investments for impairment and record reductions in the carrying values when necessary. Circumstances that indicate an other-than-temporary decline include the valuation ascribed to the issuing company in subsequent financing rounds, decreases in quoted market prices and declines in operations of the issuer. There can be no assurance that our equity and cost method investments will not face risks of loss in the future.

Interest Rate Risk and Market Price Risk Involving Convertible Debt

The fair market value of our outstanding convertible debentures is subject to interest rate risk, market price risk and other factors due to the convertible feature of the debentures. The fair market value of the debentures will generally increase as interest rates fall and decrease as interest rates rise. In addition, the fair market value of the debentures will generally increase as the market price of our common stock increases and decrease as the market price of our common stock falls. The interest and market value changes affect the fair market value of the debentures, but do not impact our financial position, cash flows or results of operations due to the fixed nature of the debt obligations, except to the extent increases in the value of our common stock may provide the holders of our 4.00% debentures due 2023, 0.875% debentures due 2021, or 0.75% debentures due 2018 the right to convert such debentures into cash in certain instances. The aggregate estimated fair value of our outstanding convertible debentures was $1,063.8 million as of April 3, 2016. The aggregate estimated fair value of our outstanding convertible debentures was $1,253.2 million as of January 3, 2016. Estimated fair values are based on quoted market prices as reported by an independent pricing source. A 10% increase in quoted market prices would increase the estimated fair value of our then-outstanding debentures to $1,170.2 million and $1,378.5 million as of April 3, 2016 and January 3, 2016, respectively, and a 10% decrease in the quoted market prices would decrease the estimated fair value of our then-outstanding debentures to $957.5 million and $1,127.9 million as of April 3, 2016 and January 3, 2016, respectively.

ITEM 4: ***CONTROLS AND PROCEDURES***

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to provide reasonable assurance that information required to be disclosed in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognizes that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, our management is required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure control and procedure also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Based on their evaluation as of the end of the period covered by this Quarterly Report on Form 10-Q, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of April 3, 2016 at a reasonable assurance level.

Changes in Internal Control over Financial Reporting

We regularly review our system of internal control over financial reporting and make changes to our processes and systems to improve controls and increase efficiency, while ensuring that we maintain an effective internal control environment. Changes may include such activities as implementing new, more efficient systems, consolidating activities, and migrating processes.

There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. ***LEGAL PROCEEDINGS***

The disclosure under "Note 8. Commitments and Contingencies—Legal Matters" in "Notes to Consolidated Financial Statements" contained in this Quarterly Report on Form 10-Q is incorporated herein by reference**.**

ITEM 1A. ***RISK FACTORS***

There have been no material changes to the risk factors we previously disclosed in our Annual Report on Form 10-K for the fiscal year ended January 3, 2016, except for the risk factor described and included below.

As owners and operators of solar power systems that deliver electricity to the grid, certain of our affiliated entities may be considered public utilities for purposes of the Federal Power Act, as amended (the "FPA"), and are subject to regulation by the Federal Energy Regulatory Commission ("FERC"), as well as various local and state regulatory bodies.

Although we are not directly subject to FERC regulation under the FPA, we are considered to be a "holding company" for purposes of Section 203 of the FPA, which regulates certain transactions involving public utilities, and such regulation could adversely affect our ability to grow the business through acquisitions. Likewise, investors seeking to acquire our public utility subsidiaries or acquire ownership interests in their securities may require prior FERC approval to do so. Such approval could result in transaction delays or uncertainties.

Public utilities under the FPA are required to obtain FERC acceptance of their rate schedules for wholesale sales of electricity and to comply with various regulations. FERC may grant our affiliated entities the authority to sell electricity at market-based rates and may also grant them certain regulatory waivers, such as waivers from compliance with FERC's accounting regulations. These FERC orders reserve the right to revoke or revise market-based sales authority if the FERC subsequently determines that our affiliated entities can exercise market power in the sale of generation products, the provision of transmission services, or if it finds that any of the entities can create barriers to entry by competitors. In addition, if the entities fail to comply with certain reporting obligations, FERC may revoke their power sales tariffs. Finally, if the entities were

deemed to have engaged in manipulative or deceptive practices concerning their power sales transactions, they would be subject to potential fines, disgorgement of profits, and/or suspension or revocation of their market-based rate authority. If our affiliated entities were to lose their market-based rate authority, such companies would be required to obtain the FERC's acceptance of a cost-of-service rate schedule and could become subject to the accounting, record-keeping, and reporting requirements that are imposed on utilities with cost-based rate schedules, which would impose cost and compliance burdens on us and have an adverse effect on our results of operations. In addition to the risks described above, we may be subject to additional regulatory regimes at state or foreign levels to the extent we own and operate solar power systems in such jurisdictions.

ITEM 2: ***UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS***

Issuer Purchases of Equity Securities

The following table sets forth all purchases made by or on behalf of us or any "affiliated purchaser," as defined in Rule 10b-18(a)(3) under the Exchange Act, of shares of our common stock during each of the indicated periods.

Period	Total Number of Shares Purchased[1]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Publicly Announced Plans or Programs
January 4, 2016 through January 31, 2016	3,763	$ 22.71	—	—
February 1, 2016 through February 28, 2016	21,223	$ 21.75	—	—
February 29, 2016 through April 3, 2016	774,172	$ 23.67	—	—
	799,158	$ 23.62	—	—

[1] The shares purchased represent shares surrendered to satisfy tax withholding obligations in connection with the vesting of restricted stock issued to employees.

ITEM 6: ***EXHIBITS***

See the Exhibit Index following the signature page to this Quarterly Report on Form 10-Q for a list of exhibits filed or furnished with this report, which Exhibit Index is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

SUNPOWER CORPORATION

Dated: May 5, 2016

By: /s/ CHARLES D. BOYNTON

Charles D. Boynton
Executive Vice President and
Chief Financial Officer

Index to Exhibits

Exhibit Number	Description
10.57*	Second Amendment to Revolving Credit Agreement, dated February 17, 2016, by and among SunPower Corporation, its subsidiaries, SunPower Corporation, Systems; SunPower North America LLC; and SunPower Capital, LLC, and Credit Agricole Corporate and Investment Bank and the other lenders party thereto.
10.58*	Third Amendment to Revolving Credit Agreement, dated March 18, 2016, by and among SunPower Corporation, its subsidiaries, SunPower Corporation, Systems; SunPower North America LLC; and SunPower Capital, LLC, and Credit Agricole Corporate and Investment Bank and the other lenders party thereto.
10.59*	First Amendment to Security Agreement, dated February 17, 2016, by and among SunPower Corporation, SunPower Corporation, Systems, SunPower North America, LLC, SunPower Capital, LLC, and Credit Agricole Corporate and Investment Bank.
10.60*	Forms of agreements under SunPower Corporation 2015 Omnibus Incentive Plan.
31.1*	Certification by Chief Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a).
31.2*	Certification by Chief Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a).
32.1**	Certification Furnished Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*+	XBRL Instance Document.
101.SCH*+	XBRL Taxonomy Schema Document.
101.CAL*+	XBRL Taxonomy Calculation Linkbase Document.
101.LAB*+	XBRL Taxonomy Label Linkbase Document.
101.PRE*+	XBRL Taxonomy Presentation Linkbase Document.
101.DEF*+	XBRL Taxonomy Definition Linkbase Document.

Exhibits marked with an asterisk (*) are filed herewith.

Exhibits marked with two asterisks (**) are furnished and not filed herewith.

Exhibits marked with a cross (+) are XBRL (Extensible Business Reporting Language) information furnished and not filed herewith, are not a part of a registration statement or Prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, are deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and otherwise are not subject to liability under these sections.

SECOND AMENDMENT TO REVOLVING CREDIT AGREEMENT

This Second Amendment to Revolving Credit Agreement (this "Amendment") is entered into as of February 17, 2016 by and among SunPower Corporation, a Delaware corporation (the "Borrower"), SunPower Corporation, Systems, a Delaware corporation, SunPower North America, LLC, a Delaware limited liability company, and SunPower Capital, LLC, a Delaware limited liability company (collectively, the "Subsidiary Guarantors" and together with the Borrower, the "Loan Parties"), Credit Agricole Corporate and Investment Bank, as administrative agent for the Lenders (in such capacity, the "Agent"), and the Lenders listed on the signature pages hereof (the "Lenders").

RECITALS

A. The Borrower, the Agent and the Lenders are parties to that certain Revolving Credit Agreement, dated as of July 3, 2013 (as amended pursuant to that certain First Amendment to Revolving Credit Agreement dated as of August 24, 2014 by and among the Loan Parties, the Agent and the Lenders, as further amended pursuant to this Amendment, and as it may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), pursuant to which the Lenders have provided a revolving credit facility to the Borrower. Each capitalized term used herein, that is not defined herein, shall have the meaning ascribed thereto in the Credit Agreement.

B. The Borrower has notified the Agent and the Lenders of its request to amend the Credit Agreement as set forth below, but otherwise have the Credit Agreement remain in full force and effect.

C. In accordance with section 9.02(b) (*Waivers; Amendments*) of the Credit Agreement, the Borrower, the Agent and all of the Lenders have agreed to amend the Credit Agreement, in accordance with the terms, and subject to the conditions, set forth herein.

AGREEMENT

The parties to this Amendment, intending to be legally bound, hereby agree as follows:

1. Amendments to Credit Agreement. Subject to satisfaction of the conditions precedent set forth in Section 4 below, the Credit Agreement is hereby amended to delete the stricken text (indicated as set forth in the following example: ~~stricken text~~) and to add the underlined text (indicated as set forth in the following example: underlined text) as set forth in the marked copy of the Credit Agreement attached as Exhibit A hereto.

2. Representations and Warranties. Each Loan Party hereby represents and warrants, as of the date of this Amendment, that:

a. The representations and warranties in each Loan Document to which it is a party are true and correct in all material respects with the same effect as though made on and as of the date hereof, except to the extent such representations and warranties expressly relate to an earlier date, in which case they shall be true and correct in all material respects on and as of such earlier date; provided that, in each case, such materiality qualifier shall not be applicable to any

representations and warranties that already are qualified or modified by materiality in the text thereof;

b. The execution and delivery of this Amendment has been duly authorized by all necessary organizational action of such Loan Party. This Amendment has been duly executed and delivered by such Loan Party and is a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and to general principles of equity;

c. The transactions contemplated by this Amendment (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, except to the extent that any such failure to obtain such consent or approval or to take any such action, would not reasonably be expected to result in a Material Adverse Effect, (b) will not violate any Requirement of Law applicable to such Loan Party, (c) will not violate or result in a default under any other material indenture, agreement or other instrument binding upon such Loan Party its assets, or give rise to a right thereunder to require any payment to be made by such Loan Party, and (d) will not result in the creation or imposition of any Lien on any asset of such Loan Party; and

d. No Event of Default, or event or condition that would constitute an Event of Default but for the requirement that notice be given or time elapse or both, has occurred and is continuing or would result after giving effect to this Agreement.

3. Ratification and Confirmation of Loan Documents; Exhibits to Credit Agreement.

a. Except as expressly set forth herein, the execution, delivery, and performance of this Amendment shall not alter, modify, amend, or in any way affect any of the terms, conditions, obligations, covenants, or agreements contained in the Credit Agreement or any other Loan Document, and shall not operate as a waiver of any right, power, or remedy of the Agent or any Lender under the Credit Agreement or any other Loan Document.

b. Each Loan Party hereby acknowledges that it has read this Amendment and consents to the terms hereof, and hereby confirms and agrees that (i) notwithstanding the effectiveness of this Amendment, the obligations of such Loan Party under the Loan Documents to which it is a party shall not be impaired or affected and such Loan Documents and all promissory notes and all other instruments, documents and agreements entered into by such Loan Party in connection with such Loan Documents are, and shall continue to be, in full force and effect and are hereby confirmed and ratified in all respects, and (ii) from and after the Effective Date (as defined below), the Incremental Revolving Credit Commitments established pursuant to Section 2.19 of the Credit Agreement on the Effective Date shall constitute Commitments under, and shall be entitled to all the benefits afforded by, the Credit Agreement and the other Loan Documents, and shall, without limiting the foregoing, benefit equally and ratably from the guarantees and security interests created by the applicable Loan Documents.

c. Each Subsidiary Guarantor further agrees that nothing in the Credit Agreement, this Amendment or any other Loan Document shall be deemed to require the consent of such Subsidiary Guarantor to any future amendment to the Credit Agreement.

d. Upon the effectiveness of this Amendment, each Lender shall continue to be a party to the Credit Agreement as a Lender. Each Lender's Incremental Revolving Credit Commitment for the period commencing on the Effective Date (as defined below) shall be as set forth on the Amended Commitment Schedule, and the Commitment Schedule shall be modified accordingly.

e. Attached hereto as Exhibit B-1 through Exhibit B-4, respectively, are an amended and restated form of Compliance Certificate, a form of Issuance Notice, a form of Letter of Credit Compliance Certificate and a form of Adherence Agreement. Immediately upon the effectiveness of this Amendment, (i) the form of Compliance Certificate attached as Exhibit C to the Credit Agreement will automatically be deemed to have been amended and restated in the form attached hereto as Exhibit B-1, and (ii) the Exhibits to the Credit Agreement will be deemed to have been supplemented by adding such form of Issuance Notice as Exhibit L, adding such form of Letter of Credit Compliance Certificate as Exhibit M and adding such form of Adherence Agreement as Exhibit N, in each case without any further actions being required.

4. Effectiveness. This Amendment shall become effective on the date first written above (the "Effective Date") only upon satisfaction of the following conditions precedent on or prior to such date unless otherwise waived in writing by the Lenders:

a. The Agent (or its counsel) shall have received (i) from each party hereto either (x) a counterpart of this Amendment signed on behalf of such party or (y) written evidence satisfactory to the Agent (which may include facsimile or .pdf transmission of a signed signature page of this Amendment) that such party has signed a counterpart of this Amendment, (ii) from each party thereto either (x) a counterpart of the First Amendment to Security Agreement dated as of the Effective Date signed on behalf of such party or (y) written evidence satisfactory to the Agent (which may include facsimile or .pdf transmission of a signed signature page of such First Amendment to Security Agreement) that such party has signed a counterpart of such First Amendment to Security Agreement, and (iii) any promissory notes requested by a Lender pursuant to Section 2.07 of the Credit Agreement.

b. The Agent shall have received an officer's certificate from the Borrower, dated the Effective Date, certifying that attached thereto is a true, complete and correct copy of the Total Guaranteed LOC Facility (including all amendments thereto).

c. The representations and warranties of the Loan Parties set forth herein shall be true and correct in all material respects as of the Effective Date.

d. No Event of Default, or event or condition that would constitute an Event of Default but for the requirement that notice be given or time elapse or both, shall be continuing as of the Effective Date.

e. The Agent shall have received written opinions (addressed to the Agent and the Lenders and dated the Effective Date) of counsel to the Loan Parties with regard to

matters of New York and Delaware law, in each case in form and substance reasonably satisfactory to the Agent.

f. The Agent shall have received (i) an officer's certificate from each Loan Party, dated the Effective Date, certifying that (A) attached thereto are true, complete and correct copies of the certificate of incorporation and bylaws of such Loan Party (or certifying that there have been no changes to such documents since they were most recently delivered and certified to the Agent in connection with the Credit Agreement), (B) attached thereto is a true, complete and correct copy of the resolutions duly adopted by such Loan Party authorizing the execution, delivery and performance of this Amendment and that such resolutions have not been amended, modified, revoked or rescinded, and (C) such Loan Party is able to pay its debts as they become due and that no action has been taken by such Loan Party, its directors or officers in contemplation of the liquidation or dissolution of such Loan Party as of the Effective Date, and (ii) a good standing certificate for such Loan Party dated the Effective Date or a recent date prior to the Effective Date satisfactory to the Agent from such Loan Party's jurisdiction of organization.

g. The Agent shall have received signature and incumbency certificates of the officers of each Loan Party executing this Amendment, each dated as of the Effective Date.

h. The Agent shall have received, on behalf of itself and the Lenders, an executed solvency certificate signed by the chief financial officer of the Borrower dated the Effective Date, in form and substance reasonably satisfactory to the Agent.

i. The Agent (or its counsel) shall have received (x) a counterpart of the 2016 Fee Letter dated as of the Effective Date signed on behalf of each party thereto, and (y) a counterpart of the 2016 Issuing Bank Fee Letter dated as of the Effective Date signed on behalf of each party thereto.

j. The Agent and the Lenders shall have received from the Borrower all fees required to be paid on or before the Effective Date, including the fees required to be paid pursuant to the 2016 Fee Letter.

k. The Borrower shall have paid all reasonable and documented costs and expenses of the Agent (including the fees and expenses of Linklaters LLP as special counsel to the Lenders to the extent previously agreed) in connection with the preparation, execution, delivery and administration of this Amendment.

l. The Agent shall have received from the Borrower (i) a new Schedule 5 to the Credit Agreement, which shall list all of the Non-Controlled Subsidiaries as of the Effective Date, and (ii) a new Schedule 6 to the Credit Agreement, which shall list all of the Project Indebtedness as of the Effective Date and describe in reasonable detail the financing facilities and other arrangements establishing such Project Indebtedness.

m. The Loan Parties shall have taken any actions reasonably required by the Agent to ensure and/or demonstrate that the security interests granted by the applicable Loan Documents continue to be perfected First Priority Liens in the Collateral after giving effect to the

establishment of any new or increased Commitments on the Effective Date, including, without limitation, compliance with Section 5.14 of the Credit Agreement.

5. Miscellaneous.

a. The Loan Parties acknowledge and agree that the representations and warranties set forth herein are material inducements to the Agent and the Lenders to deliver this Amendment.

b. This Amendment shall be binding upon and inure to the benefit of and be enforceable by the parties hereto, and their respective permitted successors and assigns.

c. This Amendment is a Loan Document. Henceforth, this Amendment and the Credit Agreement shall be read together as one document and the Credit Agreement shall be modified accordingly. No course of dealing on the part of the Agent, the Lenders or any of their respective officers, nor any failure or delay in the exercise of any right by the Agent or the Lenders, shall operate as a waiver thereof, and any single or partial exercise of any such right shall not preclude any later exercise of any such right. The failure at any time to require strict performance by the Loan Parties of any provision of the Loan Documents shall not affect any right of the Agent or the Lenders thereafter to demand strict compliance and performance. Any suspension or waiver of a right must be in writing signed by an officer of the Agent, and or the Lenders, as applicable. No other person or entity, other than the Agent and the Lenders, shall be entitled to claim any right or benefit hereunder, including, without limitation, the status of a third party beneficiary hereunder.

d. This Amendment shall be governed by and construed in accordance with the laws of the State of New York without reference to conflicts of law rules. The provisions of Section 9.09 and Section 9.11 of the Credit Agreement apply to this Amendment *mutatis mutandis* as if they were incorporated herein.

e. If any provision of this Amendment or any of the other Loan Documents shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that portion shall be deemed severed therefrom, and the remaining parts shall remain in full force as though the invalid, illegal or unenforceable portion had never been a part thereof.

f. This Amendment may be executed in any number of counterparts, including by electronic or facsimile transmission, each of which when so delivered shall be deemed an original, but all such counterparts taken together shall constitute but one and the same instrument.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the Loan Parties, the Agent and the Lenders have caused this Amendment to be executed as of the date first written above.

Borrower
SUNPOWER CORPORATION

By: /s/ Charles Boynton
Name: Charles Boynton
Title: Executive Vice President and Chief Financial Officer

Subsidiary Guarantors
SUNPOWER CORPORATION, SYSTEMS

By: /s/ Charles Boynton
Name: Charles Boynton
Title: Chief Financial Officer

SUNPOWER NORTH AMERICA, LLC

By: /s/ Charles Boynton
Name: Charles Boynton
Title: Chief Financial Officer

SUNPOWER CAPITAL, LLC

By: /s/ Mandy Yang
Name: Mandy Yang
Title: Chief Financial Officer and Treasurer

Subsidiary Guarantors
CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, individually and as Agent

By: /s/ Lucie Campos Caresmel
Name: Lucie Campos Caresmel
Title: Director

By: /s/ Kaye Ea
Name: Kaye Ea
Title: Managing Director

DEUTSCHE BANK AG NEW YORK BRANCH, as a Lender

By: /s/ Marcus M. Tarkington
Name: Marcus M. Tarkington
Title: Director

By: /s/ Dan Lazarov
Name: Dan Lazarov
Title: Director

HSBC BANK USA, NATIONAL ASSOCIATION, as a Lender

By: /s/ Thomas Lo
Name: Thomas Lo
Title: Director

MIZUHO BANK, LTD.,
as a Lender

By: /s/ Nelson Chang
Name: Nelson Chang
Title: Authorized Signatory

SANTANDER BANK, N.A., as a Lender

By: /s/ Matthew Bartlett
Name: Matthew Bartlett
Title: Vice President

CITICORP NORTH AMERICA, INC.,
as a Lender

By: /s/ Sandip Sen
Name: Sandip Sen
Title: Vice President

Exhibit A

Amendment to Credit Agreement

See attached.

SECOND AMENDMENT TO REVOLVING CREDIT AGREEMENT

REVOLVING CREDIT AGREEMENT

Dated as of July 3, 2013
as amended by the First Amendment dated as of August 26, 2014
and the Second Amendment dated as of February 17, 2016

Among

THE FINANCIAL INSTITUTIONS PARTY HERETO,
as the Lenders,

and

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK,
as Administrative Agent,

and

SUNPOWER CORPORATION,
as Borrower

_____

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK,

as Sole Lead Arranger and Sole Bookrunner

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REVOLVING CREDIT AGREEMENT

This REVOLVING CREDIT AGREEMENT ~~(this "Agreement")~~ dated as of July 3, 2013 (as amended by the First Amendment dated as of August 26, 2014 and the Second Amendment dated as of February 17, 2016, this "Agreement") is made by and among SunPower Corporation, a Delaware corporation (the "Borrower"), the financial institutions parties hereto from time to time (the "Lenders"), and Crédit Agricole Corporate and Investment Bank ("Crédit Agricole CIB"), as Administrative Agent (in such capacity, the "Agent") and as Security Agent (in such capacity, the "Security Agent").

RECITALS

The Borrower has requested the Lenders to extend credit in the form of Revolving Loans ~~at any time~~ and Letters of Credit from time to time prior to the Revolving Credit Maturity Date ~~in an initial aggregate principal amount at any time outstanding not in excess of $250,000,000. The proceeds of the Revolving Loans are to be used for general corporate purposes and for refinancing the Existing Credit Agreement (as hereinafter defined)~~, the proceeds of which will be used in accordance with Section 5.06. The Lenders are willing to extend such credit to the Borrower on the terms and subject to the conditions set forth herein.

Total S.A. has agreed to guarantee the obligations of the Borrower under this Agreement until the Restructuring Date (as hereinafter defined).

On and after the Restructuring Date, all of the Obligations hereunder and under the other Loan Documents will be secured by a First Priority Lien, granted to Crédit Agricole ~~Corporate and Investment Bank~~CIB, as Security Agent for the Lenders (in such capacity, the "Security Agent"), on behalf of the Lenders, on the Loan Parties' Eligible Assets (as hereinafter defined).

Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms~~.~~. As used in this Agreement, the following terms have the meanings specified below:

"2014 Debentures" means the $230 million 4.75% convertible debentures issued by the Borrower and due April 2014.

"2015 Debentures" means the $250 million 4.50% debentures issued by the Borrower and due March 2015.

"2016 Fee Letter" means the Fee Letter by and between the Agent and the Borrower, dated February 17, 2016.

"2016 Issuing Bank Fee Letter" means the Fee Letter by and among the Initial Issuing Banks and the Borrower, dated February 17, 2016.

"2018 Debentures" means the $300.0 million 0.75% debentures issued by the Borrower and due June 2018.

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"Accession Event" has the meaning assigned to such term in Section 5.13.

"Adherence Agreement" means an Adherence Agreement substantially in the form of Exhibit N.

"Adjusted LIBO Rate" means, for any Interest Period, the rate per annum equal to the rate obtained by dividing (i) the LIBO Rate for such Interest Period by (ii) a percentage equal to 1 minus the stated maximum rate (stated as a decimal) of all reserves, if any, required to be maintained against "Eurocurrency liabilities" as specified in Regulation D (including any marginal, emergency, special or supplemental reserves).

"Administrative Questionnaire" means an Administrative Questionnaire in the form of Exhibit A, or such other form as may be supplied from time to time by the Agent.

"Affiliate" means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agent" has the meaning assigned to such term in the preamble to this Agreement.

~~"Agents" means the Agent and the Security Agent.~~

"Agent Engagement Letter" means that certain Engagement Letter dated May 29, 2013 by and between the Borrower and the Agent.

"Agent Fees" has the meaning assigned to such term in Section 2.10(~~b~~d).

"Agent Parties" has the meaning assigned to such term in Section 9.01.

"Agents" means the Agent and the Security Agent.

"Aggregate Revolving Credit Exposure" means the aggregate amount of the Lenders' Revolving Credit Exposures.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1%, and (c) the LIBO Rate for a period of one month commencing on such day (which rate shall in no event be less than zero) plus 1%. If the Agent shall have reasonably determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including the inability or failure of the Agent to obtain sufficient quotations in accordance with the terms of the definition of Federal Funds Effective Rate, the Alternate Base Rate shall be determined without regard to clause (b) of the preceding sentence until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"Alternative Currency" means each of Canadian Dollars, Euros, Pounds Sterling, Yen and each other currency that is approved in accordance with Section 1.07(b).

"Alternative Currency Equivalent" means, at any time, with respect to any amount denominated in Dollars, the equivalent amount thereof in the applicable Alternative Currency as determined by the Agent or the applicable Issuing Bank, as the case may be, at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of such Alternative Currency with Dollars.

"Amended Commitment Schedule" means the Schedule attached hereto as Schedule 1 and identified as such, as such Schedule may be amended from time to time in accordance with the terms of this Agreement.

"Anti-Corruption Laws" means all laws, rules and regulations of any jurisdiction applicable to the Borrower or its Affiliates from time to time concerning or relating to bribery or corruption, including, but not limited to, the Foreign Corrupt Practices Act of 1977 and the United Kingdom Bribery Act 2010, each as amended, and the rules and regulations thereunder.

"Applicable LOC Rate" means, for any day on and after the Second Amendment Effective Date, the percentage rate set forth in the table below opposite the applicable Leverage Ratio as determined in accordance with such table based on the Leverage Ratio reflected in the Compliance Certificate delivered as a Restructuring CP (based on the Borrower's reasonable good faith determination of the Leverage Ratio) or in the most recent Compliance Certificate delivered to the Agent pursuant to Section 5.01, as applicable:

Leverage Ratio	Applicable LOC Rate for Performance Letters of Credit	Applicable LOC Rate for all other Letters of Credit
>4.0:1.0	1.20%	2.00%
>3.0:1.0 but ≤4.0:1.0	1.05%	1.75%
≤3.0:1.0	0.90%	1.50%

"Applicable Percentage" means, with respect to any Lender, ~~a~~the percentage ~~equal to a fraction the numerator of which is the aggregate outstanding principal amount of the Loans~~obtained by dividing (a) the Revolving Credit Exposure of such Lender (or, if no ~~Loans~~Credit Extensions are then outstanding, the Revolving Credit Commitment~~)~~ of such Lender ~~and the denominator of which is the aggregate outstanding principal amount of the Loans~~) by (b) the Aggregate Revolving Credit Exposure (or, if no ~~Loans~~Credit Extensions are then outstanding, the Total Revolving Credit Commitment) ~~of all Lenders~~.

"Applicable Rate" means (i) for any day before the Restructuring Date, (a) with respect to any LIBO Rate Loan, 0.60%, (b) with respect to any ABR Loan, 0.25%, and (c) with respect to the Commitment Fees, 0.06%, and (ii) for any day on and after the Restructuring Date, the percentage rate set forth in the table below opposite the applicable Leverage Ratio as determined in accordance with such table based on the Leverage Ratio reflected in the Compliance Certificate delivered as a Restructuring CP (based on the Borrower's reasonable good faith determination of the Leverage Ratio) or in the most recent Compliance Certificate delivered to the Agent pursuant to Section 5.01, as applicable:

Leverage Ratio	Applicable Rate for LIBO Rate Loan	Applicable Rate for ABR Loan	Commitment Fee
>4.0:1.0	2.00%	1.00%	0.35%
>3.0:1.0 but ≤4.0:1.0	1.75%	0.75%	0.30%
≤3.0:1.0	1.50%	0.50%	0.25%

For purposes of clause (ii) above, the Applicable Rate shall automatically be adjusted after the Restructuring Date as determined in accordance with the foregoing table based on the Leverage Ratio reflected in the most recent Compliance Certificate delivered to the Agent pursuant to Section 5.01, with adjustments, if any, to the Applicable Rate being effective one Business Day after the Agent has received the applicable Compliance Certificate; provided that, if the Borrower fails to deliver a Compliance Certificate to the Agent within one Business Day after the time required pursuant to Section 5.01, then the Applicable Rate shall be the highest Applicable Rate set forth in the foregoing table commencing on such Business Day until one Business Day after such Compliance

Certificate is so delivered. If the Leverage Ratio reflected in the Compliance Certificate delivered as a Restructuring CP (based on the Borrower's reasonable good faith determination of the Leverage Ratio) is different than the Leverage Ratio reflected in the Compliance Certificate subsequently delivered to the Agent pursuant to Section 5.01 for that same fiscal period, the Applicable Rate for the period commencing on the Restructuring Date shall be adjusted accordingly based on the Leverage Ratio reflected in the subsequent Compliance Certificate, with such adjustment being applied with retroactive effect for such period.

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers, advises or manages a Lender.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Agent, in the form of Exhibit B or any other form approved by the Agent.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Banks" means (a) the Issuing Banks and the Lenders listed on the Commitment Schedule, (b) any Issuing Bank that shall have become a party hereto pursuant to Section 2.21(h), and (c) any Lender that shall have become a party hereto pursuant to an Assignment and Assumption. For the avoidance of doubt, references herein to Banks shall not include any Issuing Bank that ceases to be a party hereto pursuant to Section 2.21(h) or any Lender that ceases to be a party hereto pursuant to an Assignment and Assumption.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Board of Directors" means (a) with respect to a corporation, the board of directors of the corporation, (b) with respect to a partnership, the board of directors of the general partner of the partnership and (c) with respect to any other Person, the board, managers or committee of such Person serving a similar function.

"Borrower" has the meaning assigned to such term in the preamble to this Agreement.

"Borrowing" means any Loans of the same Class and Type made, converted or continued on the same date and, in the case of LIBO Rate Loans, as to which a single Interest Period is in effect.

"Borrowing Request" means a request by the Borrower for a Borrowing in accordance with Section 2.03 and substantially in the form attached hereto as Exhibit E, or such other form as shall be approved by the Agent.

"Business Day" means a day of the year other than (a) Saturdays, (b) Sundays or (c) any day on which banks are required or authorized by law to close in either or both of New York or Paris, France; provided that, when used in connection with a LIBO Rate Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Cash Collateralize" means, in respect of an Obligation, to provide and pledge (as a first priority perfected security interest) cash collateral in Dollars, at a location and pursuant to documentation in form and substance satisfactory to the Agent and the applicable Issuing Bank (and "Cash Collateralization" has a corresponding meaning). "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support. At the request of the applicable Issuing Bank, if any Letter of Credit issued by such Issuing Bank is required to be Cash Collateralized hereunder and is denominated in an Alternative Currency, Borrower shall post such Cash Collateral in the same Alternative Currency as the Letter of Credit to be Cash Collateralized.

"Change in Control" means Total S.A. shall fail to directly or indirectly beneficially own or control at least 50.1% of the voting power represented by the issued and outstanding Equity Interests of the Borrower.

"Change in Control Amendment" means a Change in Control Amendment implementing the adoption of a Substitute Basis.

"Change in Control Amendment Date" has the meaning assigned to such term in Section 2.20(b).

"Change in Law" means (a) the adoption of any treaty, international agreement, law, rule, or regulation after the date of this Agreement, (b) any change in any treaty, international agreement, law, rule, or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by the Agent or any Lender (or, for purposes of Section 2.13(b), by any

lending office of such Lender or by the corporation controlling such Lender, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority (provided that compliance with such request, guideline or directive is in accord with the general practice of Persons to whom such request, guideline or directive is intended to apply) made or issued after the date of this Agreement; provided, however, that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith or in implementation thereof and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case referred to in clause (i) or (ii) be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Class," when used in reference to any Loan or Borrowing hereunder, refers to whether such Loan is, or the Loans comprising such Borrowing are, a Revolving Loan or an Other Revolving Loan.

"Closing Date" means the date on which the conditions specified in Section 4.02 are satisfied (or waived in accordance with Section 9.02).

"Closing Date Certificate" means a Closing Date Certificate substantially in the form of Exhibit D.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any references to any Code section shall include references to the Treasury Regulations promulgated thereunder.

"Collateral" means, collectively, all of the assets and property in which Liens are granted or purported to be granted pursuant to the Collateral Documents as security for the Obligations.

"Collateral Documents" means the Security Agreement, the Control Agreement and all other instruments or documents delivered by any Loan Party pursuant to this Agreement or any of the other Loan Documents in order to grant to the Agent, on behalf of the Lenders, a Lien on the Collateral.

"Collateralized Letter of Credit" means any Letter of Credit for which the Borrower has provided Cash Collateral or backstop letters of credit satisfactory to the applicable Issuing Bank and the Required Lenders in an amount equal to the Minimum Collateral Amount.

"Commitment Fee" has the meaning assigned to such term in Section 2.10(a).

"Commitment Schedule" means (a) for the period prior to the Second Amendment Date, the Schedule attached as Schedule 1 to this Agreement as in effect prior to the Second Amendment Date, and (b) for the period commencing on the Second Amendment Effective Date and thereafter, the Amended Commitment Schedule. On and after the Second Amendment Effective Date, all references to the "Commitment Schedule" in the Loan Documents shall mean the Commitment Schedule as modified by the Amended Commitment Schedule.

~~"Commitment Schedule" means the Schedule attached hereto as~~ Schedule 1 ~~and identified as such.~~

~~"Commitment Schedule" means~~

"Communications" has the meaning assigned to such term in Section 9.01(e)(ii).

"Compliance Certificate" means a certificate of a Financial Officer of the Borrower substantially in the form of Exhibit C, as amended on the Second Amendment Effective Date.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated Liquidity" means in respect of the Borrower as of any date of determination, on a consolidated basis, the aggregate amount of the Borrower's unrestricted cash and cash equivalents, short-term investments, and the unused Revolving Credit Commitments (which shall be deemed to be $0 for purposes of determining compliance with this covenant if the Borrower is not in compliance with Section 5.02 or if any Unpaid Debentures Amount is outstanding as of such date) as of such date.

"Control Agreement" means an agreement, reasonably satisfactory in form and substance to the Security Agent and executed by the Security Agent, the financial institution at which the Deposit Account is maintained, and each Loan Party pursuant to which such financial institution confirms and acknowledges the security interest of the Security Agent (or its appointed agent) in such account, and agrees that the financial institution will comply with instructions originated by the Security Agent (or its appointed agent) as to disposition of funds in such account, in accordance with the terms of such agreement.

"Credit Date" means the date of a Credit Extension.

"Credit Extension" means the making of a Loan or the issuing, reissuing or extension of a Letter of Credit.

"Default" means a condition or event that, after notice or lapse of time or both, would constitute an Event of Default.

"Defaulting Lender" means any Lender that (a) defaults in its obligation to extend credit (including funding all or any portion of its Loans) or pay to the Agent, any Issuing Bank or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit) within two Business Days of the date on which such credit is required to be extended, or such payment is required to be made, by it hereunder, (b) has notified the Agent, any Issuing Bank or the Borrower in writing that it does not intend to satisfy any such obligations or has made a public statement with respect to any such obligations hereunder or generally with respect to all agreements in which it commits to extend credit ~~or~~, (c) has failed, within three Business Days after written request by the Agent or the Borrower, to confirm in writing to the Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Agent and the Borrower), (d) has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, custodian, administrator, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business, appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a direct or indirect parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, custodian, administrator, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business, appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment, or (e) has, or has a direct or indirect parent company that has, become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender.

"Deposit Account" means a demand, time, savings, passbook or similar account maintained by and in the name of each of the Loan Parties in the United States of America with Bank of America, N.A. or another banking institution selected by the Borrower and reasonably acceptable to the Security Agent.

"Dollar Equivalent" means, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in any Alternative Currency, the equivalent amount thereof in Dollars as determined by the applicable Issuing Bank at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of Dollars with such Alternative Currency.

"Dollars" or "$" refers to lawful money of the United States of America.

"Domestic Subsidiary" means any Subsidiary of the Borrower that is incorporated or organized under the laws of the United States of America, any state thereof or in the District of Columbia, including any Person acquired directly or indirectly by the Borrower which becomes a Domestic Subsidiary.

"EBITDA" means, for any period, the total of the following calculated for the Borrower and its Subsidiaries (other than Project Finance Subsidiaries with obligations in respect of Project Indebtedness, excluding gains or losses attributable to noncontrolling interests) on a consolidated basis and without duplication, with each component thereof (other than clause (m)) determined in accordance with GAAP consistently applied by the Borrower for such period (except as otherwise required by GAAP): (a) consolidated net income attributable to stockholders; plus (b) any deduction for (or less any gain from) income or franchise taxes included in determining such consolidated net income; plus (c) interest expense deducted in determining such consolidated net income; plus (d) amortization and depreciation expense deducted in determining such consolidated net income; plus (e) any non-recurring charges and any non-cash charges resulting from application of GAAP insofar as GAAP requires a charge against earnings for the impairment of goodwill and other acquisition related charges to the extent deducted in determining such consolidated net income and not added back pursuant to another clause of this definition; plus (f) any non-cash expenses that arose in connection with the grant of equity or equity-based awards to officers, directors, employees and consultants of the Borrower and such Subsidiaries and were deducted in determining such consolidated net income; plus (g) non-cash restructuring charges; plus (h) non-cash charges related to negative mark-to-market valuation adjustments as may be required by GAAP from time to time; plus (i) non-cash charges arising from changes in GAAP occurring after the date hereof; less (j)(x) non-cash adjustments related to positive mark-to-market valuation adjustments as may be required by GAAP from time to time and (y) any non-recurring or extraordinary gains; less (k) other quarterly cash and non-cash adjustments that are deemed by the controller and chief financial officer of the Borrower not to be part of the normal course of business and not necessary to reflect the regular, ongoing operations of the Borrower and such Subsidiaries; plus (l) the aggregate cash proceeds received by Borrower and its Subsidiaries in connection with Sale and Lease Back Transactions permitted under Section 5.08 minus the aggregate cost value of building the projects sold pursuant to such Sale and Lease Back Transactions, plus (m) without duplication, (i) in case of any Utility and Commercial Transaction which results in the Borrower and its Subsidiaries owning, directly or indirectly, Equity Interests in a Transaction Subsidiary the accounts of which are not consolidated with (or will, pursuant to such Utility and Commercial Transaction, cease to be consolidated with) those of the Borrower in its consolidated financial statements in accordance with GAAP, the commercial value of such Transaction Subsidiary as of the date of such transaction (excluding the value of any Equity Interests retained by the Borrower or any of its Subsidiaries directly or indirectly in such Transaction Subsidiary as of such date), as adjusted to reflect the proportion of project capital sold, or (ii) in case of any Utility and Commercial Transaction which results in the Borrower and its Subsidiaries owning, directly or indirectly, Equity Interests in a Transaction Subsidiary the accounts of which will be consolidated with those of the Borrower in its consolidated financial statements in

accordance with GAAP, the commercial value of such Transaction Subsidiary as of the date of such transaction multiplied by the percentage of the total Equity Interests in such Transaction Subsidiary sold pursuant to such transaction (it being understood and agreed that (1) any add-backs pursuant to this clause (m) shall be reasonably determined by the controller and the chief financial officer of the Borrower on a basis consistent with the methodology and calculations set forth in the presentation materials provided to the Lenders prior to the First Amendment Effective Date and shall be described in reasonable detail in each applicable Compliance Certificate, (2) any add-back pursuant to this clause (m) shall be net of any prior add-backs pursuant to this clause (m) relating to the same Utility and Commercial Transaction, and (3) except for any adjustments and/or add-backs pursuant to clauses (m)(i) and (m)(ii) above, each Transaction Subsidiary and any Equity Interests retained (directly or indirectly) by the Borrower and its Subsidiaries therein shall be excluded from the calculation of EBITDA for all periods after the relevant Utility and Commercial Transaction). As used in this definition, "non-cash charge" shall mean that portion of any charge in respect of which no cash is paid during the applicable period (whether or not cash is paid with respect to such charge in a subsequent period).

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Eligible Assets" means assets of the type described in Section 2.1 of the Security Agreement.

"Eligible Assignee" means (a) a Lender, (b) an Affiliate of a Lender, or (c) an Approved Fund; provided that neither the Borrower nor any Affiliate thereof shall qualify as an Eligible Assignee.

"Equity Interests" means shares of capital stock, general or limited partnership interests, membership interests in a limited liability company, beneficial interests in a trust, or other equity ownership interests in a Person, and any warrants, options, or other rights entitling the holder thereof to purchase or acquire any such equity interest.

"ERISA" means the Employee Retirement Income Security Act of 1974 and the regulations promulgated thereunder, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that is under common control with the Borrower within the meaning of Section 4001 of ERISA, or that, together with the Borrower, is treated as a single employer under Section 414(b), or (c), (m) or (o) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30 day notice period is waived); (b) a failure by any Plan to meet the minimum funding standards within the meaning of Section 412 of the Code or Section 302 of ERISA, in each case, whether or not waived; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice of an intent to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is insolvent or in reorganization, within the meaning of Title IV of ERISA, (h) a determination that any Plan or Multiemployer Plan is, or is expected to be, in at-risk status (within the meaning of Title IV of ERISA), or (i) the filing of a notice of intent to terminate or the termination of any Plan under Section 4041(c) of ERISA.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Event of Default" has the meaning assigned to such term in Article VII.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Excluded Taxes" means, with respect to ~~the Agent, any Lender or any other recipient~~a Recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) (i) income or franchise Taxes imposed on (or measured by) its net income by the jurisdiction under the laws of which such ~~recipient~~Recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located or (ii) Other Connection Taxes, (b) any branch profits Taxes imposed by the United States of America or any similar tax imposed

by any other jurisdiction in which such ~~recipient~~Recipient is located, (c) in the case of a Lender, any U.S. Federal withholding Taxes attributable to such Lender's failure to comply with Section 2.15(f), (d) except in the case of an assignee pursuant to a request by the Borrower under Section 2.17(b), any U.S. Federal withholding Tax that is imposed on amounts payable to such recipient at the time such recipient becomes a party to this Agreement (or designates a new lending office), except to the extent that such recipient (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding Tax pursuant to Section 2.15(a) and (e) any U.S. Federal withholding Taxes imposed by FATCA.

~~"Exiting Lender" means a Lender who declines to participate in making Revolving Loans available on a Substitute Basis.~~

"Existing Credit Agreement" means the Revolving Credit Agreement dated as of September 27, 2011, as amended from time to time prior to the Closing Date, by and among the Borrower, the financial institutions parties thereto from time to time as lenders, and Crédit Agricole ~~Corporate and Investment Bank~~CIB, as administrative agent.

"Exiting Bank" means an Issuing Bank or a Lender who declines to participate in making its Revolving Credit Commitment or Issuing Bank Commitment available on a Substitute Basis.

"fair market value" means, with respect to any asset or property, the price which could be negotiated in an arm's-length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Fair market value shall be determined by the Board of Directors of the Borrower acting reasonably and in good faith.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), and any regulations or official interpretations thereof.

"Federal Funds Effective Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Agent from three federal funds brokers of recognized standing selected by the Borrower.

"Fee Letters" means (i) that certain Upfront Fee Letter dated May 29, 2013 by and among the Borrower and the Agent ~~and~~, (ii) the Agent Engagement Letter, (iii) the 2016 Fee Letter and (iv) the 2016 Issuing Bank Fee Letter.

"Fees" means the Commitment Fees ~~and~~, the Agent Fees, the fees referred to in Section 4(j) of the Second Amendment, and all other fees contemplated by Section 2.10.

"Financial Indebtedness" of the Borrower and any of its Subsidiaries shall mean, without duplication, all Indebtedness of such Person other than (i) all obligations to pay the deferred purchase price of property or services, (ii) all obligations created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person, (iii) Indebtedness in connection with the factoring of the accounts receivable of the Borrower or any Subsidiary in respect of rebates from U.S. Governmental Authorities pursuant to the Tech Credit Agreement in the ordinary course of business, (iv) intercompany liabilities (but including liabilities to a non-Subsidiary Affiliate) maturing within 365 days of the incurrence thereof, (v) Project Indebtedness, and (vi) all guaranty obligations with respect to the types of Indebtedness listed in clauses (i) through (v) above.

"Financial Letter of Credit" means any letter of credit other than a Performance Letter of Credit.

"Financial Officer" means the chief financial officer, treasurer or controller of the Borrower.

"First Amendment" means the First Amendment to Revolving Credit Agreement relating to this Agreement dated ~~on or about~~as of August 26, 2014, by and ~~amount~~among the Borrower, the Agent and the Lenders listed on the signature pages thereof.

"First Amendment Effective Date" means the "Effective Date" under and as defined in the First Amendment.

"First Priority" means, with respect to any Lien purported to be created in any Collateral pursuant to any Collateral Document, that such Lien is perfected and has priority over any other Lien on such Collateral (other than Permitted Collateral Encumbrances, which by operation of law or contract would have priority over the Liens securing the Obligations).

"Foreign Lender" means a Lender that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"Foreign Subsidiary" means any Subsidiary of the Borrower that is not a Domestic Subsidiary.

"Fronting Exposure" means, at any time there is a Defaulting Lender, with respect to any Issuing Bank, such Defaulting Lender's Applicable Percentage of the outstanding Obligations with respect to Letters of Credit issued by such Issuing Bank other than such Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession of the United States of America, (a) except as otherwise expressly provided in this Agreement, as in effect as of the Closing Date, (b) with respect to all financial statements and reports required to be delivered under the Loan Documents, as in effect from time to time, and (c) solely with respect to computations of the financial covenant contained in Section 5.02, subject to the proviso in Section 1.05.

"Governmental Acts" means any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority.

"Governmental Authority" means any supra-national body, the government of the United States of America, any other nation or any political subdivision of any thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guaranteed Obligations" has the meaning assigned to such term in Section 2.24.

"Historical Financial Statements" has the meaning assigned to such term in Section 3.04.

"Incremental Lender" means (i) each Lender with an Incremental Revolving Credit Commitment or ~~an outstanding~~ Incremental Revolving ~~Loan and (ii) each Lender with an Other Revolving Credit Commitment or an outstanding Other Revolving Loan~~Credit Exposure.

"Incremental Revolving Credit Amount" means~~, at any time, the excess, if any, of (a) $50,000,000 over (b) the aggregate amount of all Incremental Revolving Credit Commitments and Other Revolving Credit Commitments established prior to such time pursuant to Section 2.19~~ $0.

"Incremental Revolving Credit Assumption Agreement" means an Incremental Revolving Credit Assumption Agreement in form and substance reasonably

satisfactory to the Agent, among the Borrower, the Agent and one or more Incremental Lenders.

"Incremental Revolving Credit Borrowing" means a Borrowing comprised of Incremental Revolving Loans.

"Incremental Revolving Credit Commitment" means the commitment of any Lender, established pursuant to Section 2.19, to make Incremental Revolving Loans to the Borrower.

"Incremental Revolving Credit Exposure" means, with respect to any Incremental Lender at any time, the sum of (i) the aggregate principal amount at such time of all outstanding Incremental Revolving Loans of such Incremental Lender and (ii) the aggregate amount at such time of all participations by such Incremental Lender in any outstanding Letters of Credit or unreimbursed drawings under Letters of Credit.

"Incremental Revolving Loans" means Revolving Loans made by one or more Lenders to the Borrower pursuant to Section 2.01(b).

"Indebtedness" ~~shall mean and include the aggregate amount of~~means, as applied to any Person, without duplication (i) all obligations for borrowed money, (ii) all obligations evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations to pay the deferred purchase price of property or services (other than accounts payable and accrued expenses incurred in the ordinary course of business determined in accordance with GAAP), (iv) all obligations with respect to capital leases, (v) all obligations created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person, (vi) all non-contingent reimbursement and other payment obligations in respect of letters of credit and similar surety instruments (including construction performance bonds), ~~and~~ (vii) ~~all guaranty~~the face amount of any Letter of Credit issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings (but only to the extent such Letter of Credit has not been Cash Collateralized), (viii) the face amount of any Financial Letter of Credit issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings (but only to the extent such Financial Letter of Credit has not been fully cash collateralized), (ix) any obligations with respect to ~~the types of~~tax equity or similar financing arrangements, and (x) (1) the direct or indirect guaranty, endorsement (other than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the obligation of another, (2) any obligation of such Person the primary purpose or intent of which is to provide assurance to an obligee that the obligation of the obligor thereof will be paid or discharged, or any agreement relating thereto will be complied with, or the holders thereof will be protected (in whole or in part) against loss in respect thereof, and (3) any liability (contingent or otherwise) of such Person for an obligation of another Person with respect to Indebtedness listed in clauses (i) through (~~vi~~ix) above~~.~~, including any agreement (a) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation (whether in the form of loans, advances, stock purchases, capital contributions or

otherwise) or (b) to maintain the solvency or any balance sheet item, level of income or financial condition of such other Person.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Information" has the meaning set forth in Section 9.11.

"Initial Issuing Bank" means each Person having an Issuing Bank Commitment as of the Second Amendment Effective Date, in each case as specified on the Amended Commitment Schedule as of such date.

"Interest Election Request" means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.05.

"Interest Payment Date" means (a) with respect to any ABR Loan, the last Business Day of each March, June, September and December and the Revolving Credit Maturity Date (or, in the case of any Other Revolving Loan, the final maturity date thereof as specified in the applicable Incremental Revolving Credit Assumption Agreement), and (b) with respect to any LIBO Rate Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a LIBO Rate Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period (or if such day is not a Business Day, the next succeeding Business Day).

"Interest Period" means with respect to any LIBO Rate Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months (or, to the extent agreed to by each relevant Lender, nine or twelve months) thereafter, as the Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"IRS" means the United States Internal Revenue Service.

"Issuance Notice" means an Issuance Notice substantially in the form of Exhibit L.

"Issuing Bank" means each Initial Issuing Bank in its capacity as the issuer of Letters of Credit hereunder and any additional Issuing Bank that becomes a

party hereto in accordance with Section 2.21(h) (in which case the term "Issuing Bank" when used with respect to any particular Letter of Credit, refers to the applicable Issuing Bank that is requested to issue or has issued such Letter of Credit) and, in each case, their respective successors in such capacities as provided hereunder. Each Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by any of its branches or Affiliates (whether domestic or foreign), in which case the term "Issuing Bank" shall include any such branches or Affiliates with respect to any Letter of Credit issued by such branches or Affiliates.

"Issuing Bank Commitment" means, with respect to each Issuing Bank, the amount specified as such Issuing Bank's Issuing Bank Commitment on the Commitment Schedule, as such amount may be updated from time to time by the Agent, the Borrower and such Issuing Bank.

"Joint Venture" means a joint venture, partnership or other similar arrangement, whether in corporate, partnership or other legal form.

"Lenders" means the Persons listed as Lenders on the Commitment Schedule and any other Person that shall have become a party hereto as a Lender pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto as a Lender pursuant to an Assignment and Assumption.

"Letter of Credit" means a standby letter of credit issued or to be issued by any Issuing Bank pursuant to this Agreement in such form as such Issuing Bank may approve in its reasonable discretion.

"Letter of Credit Commitment Period" means the period from the Second Amendment Effective Date to but excluding the Letter of Credit Expiration Date.

"Letter of Credit Compliance Certificate" means a certificate of a Financial Officer of the Borrower substantially in the form of Exhibit M which shall (i) specify in reasonable detail (a) the aggregate unused and available "Commitment Amount" under and as defined in the Total Guaranteed LOC Facility Agreement (i.e., the Total Guaranteed LOC Available Amount), (b) the scheduled maturity date of the Total Guaranteed LOC Facility Agreement and, if different, such "Commitment Amount", (c) the names of the Issuing Bank, the applicant and the beneficiary, the face amount, the expiration date and the amount and type of Cash Collateral, if any, in respect of each outstanding Letter of Credit, (d) whether each outstanding Letter of Credit is (1) of a type permitted to be issued under the Total Guaranteed LOC Facility Agreement and (2) eligible to be backstopped by a letter of credit issued thereunder, (e) the Letter of Credit Usage, (f) the Uncollateralized Letter of Credit Usage, and (g) the Total Guaranteed LOC Minimum Amount, in each case as of the date of such certificate, and (ii) confirm that, as of the date of such certificate, the Total Guaranteed LOC Available Amount exceeds the Total Guaranteed LOC Minimum Amount.

"Letter of Credit Disbursement" means the making of any payment by the Issuing Bank under a Letter of Credit in the amount of such payment, and the making of

any payment by a Lender for the account of the Issuing Bank under Section 2.21(e) on account of an unreimbursed drawing on a Letter of Credit.

"Letter of Credit Expiration Date" means the day that is five Business Days prior to the Revolving Credit Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day); provided that, with the consent of the applicable Issuing Bank, a Letter of Credit may expire after such day, but in no event later than 180 days thereafter, subject to Section 2.21(a).

"Letter of Credit Sublimit" means, as at any date of determination, the lesser of (i) $200,000,000 and (ii) the Total Revolving Credit Commitment then in effect.

"Letter of Credit Usage" means, as at any date of determination, the sum of (i) the Dollar Equivalent of the maximum aggregate amount which is, or at any time thereafter may become, available for drawing under all Letters of Credit then outstanding, and (ii) the Dollar Equivalent of the aggregate amount of all drawings under Letters of Credit honored by any Issuing Bank and not theretofore reimbursed by or on behalf of Borrower (including through Revolving Loans).

"Leverage Ratio" means, as of the last day of any fiscal quarter of the Borrower, the ratio of Financial Indebtedness as of such day (less the Unpaid Debentures Amount, if any, as of such day) to EBITDA for the period of four consecutive fiscal quarters ending on such day.

"LIBO Rate" means, with respect to any Interest Period, the rate which is quoted for that Interest Period on the relevant page on Bloomberg L.P.'s (the "Service") Page BBAM1/(Official BBA USD Dollar Libor Fixings) (or on any successor or substitute page of such Service, or any successor to or substitute for such Service) at or about 11.00 a.m. (London time) on the date that is two Business Days prior to the commencement of such Interest Period as being the interest rate offered in the London Interbank Market for deposits in the relevant currency for the same period as the relevant Interest Period (or, if the periods are not the same, such rate determined by the Agent by reference to the rates offered for the next longest period to the Interest Period, if any); provided that, to the extent that an interest rate is not ascertainable pursuant to the foregoing provisions of this definition, the "LIBO Rate" shall be the interest rate per annum reasonably determined by the Agent to be the average of the rates per annum at which deposits in the relevant currency are offered for such relevant Interest Period by the Reference Banks at approximately 11:00 a.m. (London time) on the date that is two Business Days prior to the beginning of such Interest Period. If the LIBO Rate (as determined pursuant to the foregoing provisions of this definition) for any Interest Period is below zero, then the LIBO Rate for such Interest Period shall be deemed to be zero.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien (statutory or other), pledge, hypothecation, collateral assignment, encumbrance, deposit arrangement, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any

of the foregoing) relating to such asset, and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Loan Documents" means this Agreement, the Parent Guaranty, the Subsidiary Guaranty, the Collateral Documents, each Fee Letter, ~~and~~ any promissory notes issued pursuant to this Agreement, any documents or certificates executed by the Borrower in favor of any Issuing Bank relating to Letters of Credit, and each Adherence Agreement. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto.

"Loan Party" means the Borrower and each ~~of its Subsidiaries that is a party to a Loan Document~~Subsidiary Guarantor, and "Loan Parties" shall mean all such Persons, collectively.

"Loans" means the loans made by the Lenders to the Borrower pursuant to this Agreement.

"Margin Stock" has the meaning assigned to such term in Regulation U.

"Material Adverse Effect" means a material adverse effect on (a) the business, financial condition, operations or properties of the Borrower and its Subsidiaries, taken as a whole, (b) the validity or enforceability of any of the Loan Documents, or (c) the ability of any Loan Party or any Subsidiary Applicant to perform its obligations under the Loan Documents.

"Material Domestic Subsidiary" means a Material Subsidiary that is also a Domestic Subsidiary.

"Material Indebtedness" means Indebtedness (other than the Revolving Loans and Letters of Credit) for borrowed money (including notes, bonds and other similar instruments) and reimbursement obligations in respect of drawn letters of credit of any one or more of the Borrower and its Subsidiaries in an aggregate principal amount outstanding exceeding $50,000,000.

"Material Subsidiary" means (a) SunPower Corporation, Systems, (b) SunPower North America, LLC and (c) any other Subsidiary now existing or hereafter acquired or formed by the Borrower which, on a consolidated basis for such Subsidiary and its Subsidiaries, (i) for the most recently completed fiscal year accounted for 10.0% or more of the consolidated revenues of the Borrower and its Subsidiaries or (ii) as at the end of such fiscal year, was the owner of assets with a book value equal to or greater than 10.0% of the book value of the consolidated assets of the Borrower and its Subsidiaries.

"Minimum Collateral Amount" means, at any time, in respect of any Letter of Credit (i) with respect to Cash Collateral consisting of Cash or Deposit Account balances or back-to-back letters of credit in form and substance, and from an issuer, satisfactory to the applicable Issuing Bank, an amount equal to 105.0% of the then

undrawn and unexpired amount of such Letter of Credit, and (ii) otherwise, an amount determined by the Agent, the applicable Issuing Bank and the Required Lenders in their sole discretion.

"Minimum Fronting Exposure Collateral Amount" means, at any time, in respect of any Defaulting Lender with respect to Cash Collateral consisting of Cash or Deposit Account balances or back-to-back letters of credit in form and substance, and from an issuer, satisfactory to the applicable Issuing Bank, an amount equal to 101.5% of the Fronting Exposure of such Issuing Bank relating to such Defaulting Lender with respect to all Letters of Credit issued by such Issuing Bank and outstanding at such time.

"Multiemployer Plan" means a multiemployer plan as defined in Section 3(37) or 4001(a)(3) of ERISA then, or at any time during the previous five years maintained for, or contributed to (or for which there was an obligation to contribute) on behalf of, employees of the Borrower or any ERISA Affiliate.

"Non-Consenting Lender" has the meaning assigned to such term in Section 9.02(~~c~~d).

"Non-Controlled Subsidiary" means, at any time, any Subsidiary not controlled by Borrower (including, as of the Second Amendment Effective Date, those Persons listed on Schedule 5). The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Non-Project Finance Subsidiary" means any Subsidiary other than a Project Finance Subsidiary.

"obligations" means, for purposes of the definition of the term "Indebtedness", all obligations for principal, premium, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Obligations" means all obligations, liabilities, and Indebtedness of every nature of each Loan Party and each Subsidiary Applicant from time to time owing to the Agent, any Issuing Bank or any Lender, under or in connection with this Agreement or any other Loan Document, in each case whether primary, secondary, direct, indirect, contingent, fixed or otherwise, including reimbursement of amounts drawn under Letters of Credit and interest accruing at the rate provided in the applicable Loan Document on or after the commencement of any bankruptcy or insolvency proceeding, whether or not allowed or allowable.

"Officer" means the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer or the Secretary of the Borrower.

"Other Revolving Credit Commitment" means the commitment of any Lender, established pursuant to Section 2.19, to make Other Revolving Loans to the Borrower.

"Other Revolving Loans" has the meaning assigned to such term in Section 2.19(a).

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means any and all present or future stamp or documentary Taxes or any other excise or property Taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

"Parent Guarantor" means Total S.A., a société anonyme organized under the laws of the Republic of France.

"Parent Guaranty" means the guaranty executed by the Parent Guarantor in favor of the Agent and substantially in the form attached hereto as Exhibit I.

"Participant" has the meaning assigned to such term in Section 9.04(c).

"Participant Register" has the meaning assigned to such term in Section 9.04(c)(i).

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Performance Letter of Credit" means (a) a letter of credit issued to secure ordinary course performance obligations, (b) a letter of credit issued to back a bank guarantee, surety bond, performance bond or other similar obligations issued to support ordinary course performance obligations, and (c) a letter of credit that is classified as a performance standby letter of credit by the Board of Governors of the Federal Reserve System or by the Office of the Comptroller of the Currency of the United States, and, in each case, not a letter of credit to support financial obligations.

"Permitted Collateral Encumbrances" means:

(a) Liens imposed by law for taxes that are not yet due or are being contested in good faith;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than thirty (30) days or are being contested in good faith;

(c) judgment liens in respect of judgments that do not constitute an Event of Default;

(d) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights;

(e) Liens that arise by operation of law for amounts not yet due;

(f) the Lien existing on the Closing Date in favor of Norsun AS granted by the Borrower in October 2012, covering up to $20,000,000 of the Borrower's accounts receivables; and

(g) existing and future Liens in favor of the Borrower's bonding company covering materials, contracts, receivables, and other assets which are related to, or arise out of, contracts which are bonded by that bonding company in the ordinary course of the Borrower's business as conducted from time to time.

"Permitted Encumbrances" means:

(a) Liens imposed by law for taxes that are not yet due or are being contested in good faith;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than thirty (30) days or are being contested in good faith;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance, and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance and return of money bonds, bids, leases, government contracts, trade contracts, and other obligations of a like nature (including letters of credit in lieu of any such bonds or to support the issuance thereof), including those incurred pursuant to any law primarily concerning the environment, preservation or reclamation of natural resources, the management, release or threatened release of any hazardous material or to health and safety matters, in each case in the ordinary course of business as conducted from time to time;

(e) judgment liens in respect of judgments that do not constitute an Event of Default;

(f) easements, zoning restrictions, rights-of-way, and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

(g) Liens on property or assets of the Borrower or any Subsidiary existing on the Closing Date granted pursuant to agreements existing on the Closing Date and listed on Schedule 2; provided that such Liens shall not attach to the Collateral at any time on or after the Restructuring Date and shall secure only those obligations that they secure on the Closing Date and any obligations arising under such agreements after the Closing Date (and permitted extensions, renewals, and refinancings thereof to the extent that the amount of such obligations secured by such Liens is not increased, except in accordance with the then current terms of such agreements);

(h) purchase money security interests in equipment or other property or improvements thereto hereafter acquired (or, in the case of improvements, constructed) by the Borrower or any Subsidiary (including the interests of vendors and lessors under conditional sale and title retention agreements and similar arrangements for the sale of goods entered into by the Borrower or any Subsidiary in the ordinary course of business as conducted from time to time);

(i) Liens arising out of Capital Lease Obligations, so long as such Liens attach only to the property being leased in such transaction and any accessions thereto or proceeds thereof and related property; provided that such Liens shall not attach to the Collateral at any time on or after the Restructuring Date;

(j) any interest or title of a lessor under any leases or subleases entered into by the Borrower or any Subsidiary in the ordinary course of business as conducted from time to time;

(k) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance or incurrence of Indebtedness, (ii) relating to pooled deposit or sweep accounts of the Borrower or any Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower or any Subsidiary or (iii) relating to purchase orders and other agreements entered into with customers of the Borrower or any Subsidiary in the ordinary course of business;

(l) Liens arising solely by virtue of any statutory or common law provision relating to banker’s liens, rights of set-off or similar rights;

(m) licenses of intellectual property granted in the ordinary course of business;

(n) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(o) Liens solely on any cash earnest money deposits made by the Borrower or any Subsidiary in connection with any letter of intent or purchase agreement permitted hereunder;

(p) the prior rights of consignees and their lenders under consignment arrangements entered into in the ordinary course of business;

(q) Liens arising from precautionary UCC financing statements regarding operating leases;

(r) Liens on Equity Interests in Joint Ventures held by the Borrower or a Subsidiary securing obligations of such Joint Venture or the Borrower's or such Subsidiary's obligations as a partner or member in such Joint Venture;

(s) Liens on securities that are the subject of fully collateralized repurchase agreements with a term of not more than 30 days for direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, Japan or the European Union (or by any agency of any thereof to the extent such obligations are backed by the full faith and credit of such jurisdiction), in each case maturing within one year from the date of acquisition thereof, and entered into with any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than $500,000,000;

(t) Liens in favor of customers or suppliers of any Foreign Subsidiary on equipment, supplies and inventory purchased with the proceeds of advances made by such customers or suppliers under or securing obligations in connection with supply agreements;

(u) Liens that arise by operation of law for amounts not yet due;

(v) existing and future Liens related to or arising from the sale, transfer, or other disposition of rights to solar power rebates in the ordinary course of business as conducted from time to time;

(w) existing and future Liens in favor of the Borrower's bonding company covering materials, contracts, receivables, and other assets which are related to, or arise out of, contracts which are bonded by that bonding company in the ordinary course of the Borrower's business as conducted from time to time;

(x) Liens on Equity Interests in and assets of Project Finance Subsidiaries of the Borrower or Subsidiaries of the Borrower to secure Project

Indebtedness; provided that such Liens shall not attach to the Collateral at any time on or after the Restructuring Date;

(y) customary Liens on securities accounts of the Borrower in favor of the securities broker with whom such accounts are maintained, provided that (i) such Liens arise in the ordinary course of business of the Borrower, as applicable, and such broker pursuant to such broker's standard form of brokerage agreement; (ii) such securities accounts are not subject to restrictions against access by the Borrower; (iii) such Liens secure only the payment of standard fees for brokerage services charged by, but not financing made available by, such broker and such Liens do not secure Indebtedness for borrowed money; and (iv) such Liens are not intended by the Borrower to provide collateral to such broker;

(z) cash collateral securing reimbursement obligations with respect to letters of credit issued to secure liabilities of the Borrower or any Subsidiary incurred in the ordinary course of business; provided that such Liens shall not attach to the Collateral at any time on or after the Restructuring Date; and

(aa) Liens on the property or assets of any Foreign Subsidiary other than accounts receivable and inventory; and

(bb) other Liens so long as the outstanding principal amount of the obligations secured by such Liens does not exceed (in the aggregate) $10,000,000 at any one time and on and after the Restructuring Date such Liens do not attach to any of the Collateral.

"Permitted Project Recourse" means (a) limited guarantees and side letters from any Loan Party or any of their respective Subsidiaries which are not Project Finance Subsidiaries in respect of any Indebtedness of any Project Financing Subsidiary which do not guarantee obligations for borrowed money (including notes, bonds and other similar instruments), operating lease obligations, Capital Lease Obligations or reimbursement or other payment obligations in respect of letters of credit (including, without limitation, equipment, procurement and construction, operations and maintenance, asset management, liquidated damages and managing member and tax indemnity undertakings), and (b) pledges of Equity Interests in Project Finance Subsidiaries (or direct or indirect owners of Project Finance Subsidiaries) or other limited guarantees or side letters provided that the holders of such Indebtedness have acknowledged that they will not have any recourse to the assets or Equity Interests (other than as specified in this clause (b)) of any Loan Party or any of their respective Subsidiaries which are not Project Finance Subsidiaries.

"Person" means an individual, partnership, corporation, association, limited liability company, unincorporated organization, trust or Joint Venture, or a governmental agency or political subdivision thereof.

"Plan" means any "employee pension benefit plan" as defined in Section 3(2) of ERISA (other than a Multiemployer Plan) subject to the provisions of Title IV of

ERISA or Section 412 of the Code or Section 302 of ERISA then, or at any time during the past five years, sponsored, maintained or contributed to (or to which there is or was an obligation to contribute) on behalf of employees of the Borrower or any ERISA Affiliate.

"Platform" has the meaning assigned to such term in Section 9.01(e)(i).

"Prime Rate" means the rate of interest per annum determined from time to time by the Agent as its prime rate in effect at its principal office in New York City and notified to the Borrower.

"Project Finance Subsidiary" means a limited purpose Subsidiary established in connection with the construction of a solar project, or the sale of solar equipment and/or energy; provided that no Subsidiary shall be deemed to be a Project Finance Subsidiary if it is a Loan Party.

"Project Indebtedness" means Indebtedness of any Project Finance Subsidiary, including ~~inverted leases and~~front leverage debt of a project company level borrower, back leverage ~~relating to residential leases~~debt of a sponsoring member in a tax equity partnership, securitizations, tax equity financings (including inverted lease, partnership flip and Sale and Lease Back Transactions) and other similar financing structures, as to which the holders of such Indebtedness have recourse only to such Project Finance Subsidiary and any other Project Finance Subsidiaries, including such Project Finance Subsidiaries' assets, but without recourse to any Loan Party or any of their respective Subsidiaries which are not Project Finance Subsidiaries~~, including any of their assets~~ other than ~~the Equity Interests in~~Permitted Project ~~Finance Subsidiaries~~Recourse.

"Recipient" means (a) the Agent, (b) any Lender or (c) any Issuing Bank, as applicable.

"Reference Banks" means Deutsche Bank AG, The Bank of Tokyo – Mitsubishi UFJ, Ltd., and JPMorgan Chase Bank, N.A. or such other leading banks as may be appointed by the Agent and approved by the Borrower.

"Register" has the meaning assigned to such term in Section 9.04(b)(iv).

"Regulation D" means Regulation D of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof, and any successor provision thereto.

"Regulation T" means Regulation T of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof, and any successor provision thereto.

"Regulation U" means Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof, and any successor provision thereto.

"Regulation X" means Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof, and any successor provision thereto.

"Reimbursement Date" has the meaning assigned thereto in Section 2.21(d).

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, trustees, employees, agents and advisors of such Person and such Person's Affiliates.

"Required Class Lenders" means at any time, in respect of any Class, Lenders that have Loans outstanding and unused Revolving Credit Commitments of such Class representing more than 50% of the sum of all Loans outstanding and unused Revolving Credit Commitments of such Class; provided that the Loans and unused Revolving Credit Commitments of any Defaulting Lender shall be disregarded in the determination of the Required Class Lenders at any time.

"Required Lenders" means at any time, Lenders that have Revolving ~~Loans~~Credit Exposure and unused Revolving Credit Commitments representing more than 50% of the sum of all Revolving ~~Loans outstanding~~Credit Exposure and unused Revolving Credit Commitments; provided that the Revolving ~~Loans~~Credit Exposure and unused Revolving Credit Commitments of any Defaulting Lender shall be disregarded in the determination of the Required Lenders at any time.

"Required Payment" has the meaning assigned thereto in Section 9.02(~~c~~d).

"Requirement of Law" means, as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Restructuring CPs" has the meaning assigned thereto in the definition of Restructuring Date.

"Restructuring Date" means the later of (i) January 31, 2014 and (ii) the Business Day on which each of the conditions specified below (collectively, the "Restructuring CPs") are satisfied (or, other than clause (a) below, waived in accordance with Section 9.02):

(a) Parent Guaranty. The Parent Guaranty shall have been cancelled and returned to the Parent Guarantor.

(b) Security Agreement. The Agent shall have received the Security Agreement signed on behalf of the Borrower, each Material Domestic Subsidiary as of the Restructuring Date, any other Domestic Subsidiary which owns Eligible Assets with an aggregate value of more than $10,000,000 as of the Restructuring Date, and the Security Agent.

(c) Subsidiary Guaranty. The Agent shall have received the Subsidiary Guaranty signed on behalf of each Material Domestic Subsidiary and any other Domestic Subsidiary which owns Eligible Assets with an aggregate value of more than $10,000,000 as of the Restructuring Date.

(d) Closing Certificates; Certified Constitutive Documents; Good Standing Certificates. The Agent shall have received (i) a certificate of each Loan Party, dated the Restructuring Date and executed by its Secretary or Assistant Secretary or an Officer, which shall (A) certify the resolutions of its Board of Directors (or similar governing body) authorizing the execution, delivery and performance of the Loan Documents by such Loan Party, (B) identify by name and title and bear the signatures of the Financial Officers and any other officers of such Loan Party authorized to sign the Loan Documents, and (C) contain appropriate attachments, including the certificate or articles of incorporation (or similar constitutive document) of such Loan Party certified by the relevant authority of the jurisdiction of organization of such Loan Party and a true and correct copy of its by-laws (or similar constitutive document), or certify that such documents have not been amended since the Closing Date and remain in full force and effect and (ii) a good standing certificate for each Loan Party dated the Restructuring Date or a recent date prior to the Restructuring Date satisfactory to the Agent from such Loan Party's jurisdiction of organization.

(e) Solvency Assurances. The Agent shall have received, on behalf of itself and the Lenders, an executed Solvency Certificate signed by the chief financial officer of the Borrower dated the Restructuring Date certifying that, after giving effect to the consummation of the transactions contemplated by the Loan Documents on the Restructuring Date, the Borrower will be Solvent as of the Restructuring Date.

(f) Compliance Certificate. The Agent shall have received, on behalf of itself and the Lenders, an executed Compliance Certificate signed by the chief financial officer of the Borrower dated the Restructuring Date, demonstrating that the Borrower has Consolidated Liquidity of at least $100 million and that the Leverage Ratio did not exceed 4.5 to 1.0 in each case as of the last day of the then most recently ended fiscal quarter of the Borrower (based on the Borrower's reasonable good faith determination of its Consolidated Liquidity and Leverage Ratio as of such day), provided that, if the 2014 Debentures have not been repaid in full as of the last day of such fiscal quarter, the minimum Consolidated Liquidity amount set forth above will be increased by the Unpaid 2014 Debentures Amount as of the last day of such fiscal quarter.

(g) Legal Opinion. The Agent shall have received, on behalf of itself and the other Secured Parties on the Restructuring Date, one or more

favorable written opinions of counsel for the Loan Parties in the form and substance satisfactory to the Agent.

(h) No Defaults. At the time of and immediately after the Restructuring Date, no (i) Event of Default, or (ii) event or condition that would constitute an Event of Default but for the requirement that notice be given or time elapse or both, has occurred and is continuing.

(i) Repayment of Outstanding Amounts. The Borrower shall have repaid in full all outstanding Loans and all accrued interest thereon as of the Restructuring Date.

(j) Security Interests. The Security Agent shall have received evidence reasonably satisfactory to it that each Loan Party shall have taken or caused to be taken all such actions, executed and delivered or caused to be executed and delivered all such agreements, documents and instruments, and made or caused to be made all such filings and recordings (other than the filing or recording of items described in clauses (ii) and (iii) below) that may be necessary, or in the reasonable opinion of the Security Agent, desirable in order to create in favor of the Security Agent, for the benefit of the Secured Parties, a valid and (upon such filing and recording) perfected First Priority security interest in the United States in all of the Collateral in accordance with the terms of the Collateral Documents. Such actions shall include the following:

(i) Lien Searches and UCC Termination Statements. Delivery to the Security Agent of (A) the results of a recent search of all effective UCC financing statements and all judgment and tax Lien filings which may have been made with respect to all of the Collateral, together with copies of all such filings disclosed by such search and (B) duly completed UCC termination statements, and authorization of the filing thereof from the applicable secured party, as may be necessary to terminate any effective UCC financing statements disclosed in such search (other than any such financing statements in respect of Liens permitted to remain outstanding pursuant to the terms of this Agreement;

(ii) UCC Financing Statements. Delivery to the Security Agent of duly completed UCC financing statements with respect to all of the Collateral, for filing in all jurisdictions as may be necessary or, in the reasonable opinion of the Security Agent, desirable to perfect the security interests created in such Collateral pursuant to the Collateral Documents; and

(iii) Control Agreements. Delivery to the Security Agent of Control Agreements in order to perfect the Liens in respect of the Deposit Accounts created pursuant to the Security Agreement.

(k) USA PATRIOT Act. The Agent shall have received, at least five Business Days prior to the Restructuring Date, all documentation and other information reasonably requested by it that is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act.

(l) Project Indebtedness. The Agent shall have received Schedule 4, which shall list all of the Project Indebtedness as of the Restructuring Date and describe in reasonable detail the financing facilities and other arrangements establishing such Project Indebtedness.

"Revaluation Date" means, with respect to any Letter of Credit, each of the following: (i) each date of issuance of a Letter of Credit denominated in an Alternative Currency, (ii) each date of an amendment of any such Letter of Credit having the effect of increasing the amount thereof (solely with respect to the increased amount), (iii) each date of any payment by the applicable Issuing Bank under any Letter of Credit denominated in an Alternative Currency, and (iv) such additional dates as the Agent or such Issuing Bank shall determine.

"Revised Terms" has the meaning set forth in Section 9.15.

"Revolving Credit Borrowing" means a Borrowing comprised of Revolving Loans.

"Revolving Credit Commitment" means, with respect to each Lender, (a) the commitment of such Lender to make Revolving Loans and to acquire participations in Letters of Credit hereunder as set forth in the Commitment Schedule or in the most recent Assignment and Assumption executed by such Lender, as applicable, as the same may be (i) reduced from time to time pursuant to Section 2.06 and (ii) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04 and (b) any Incremental Revolving Credit Commitment of such Lender.

"Revolving Credit Exposure" means, with respect to any Lender at any time, the sum of (i) the aggregate principal amount at such time of all outstanding Revolving Loans of such Lender and (ii) the aggregate amount at such time of all participations by such Lender in any outstanding Letters of Credit or unreimbursed drawings under Letters of Credit.

"Revolving Credit Maturity Date" means the ~~date falling 5 years after the First Amendment Effective Date.~~earliest to occur of (i) the Scheduled Maturity Date, (ii) the date the Revolving Credit Commitments are permanently reduced to zero pursuant to Section 2.06(b), and (iii) the date of the termination of the Revolving Credit Commitments pursuant to Section 2.20 or Article VII.

"Revolving Loans" means the revolving loans made by the Lenders to the Borrower pursuant to clause (a) of Section 2.01. Unless the context shall otherwise require, the term "Revolving Loans" shall include Incremental Revolving Loans.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of its functions.

"Sale and Lease Back Transaction" has the meaning set forth in Section 5.08.

"Sanctioned Country" means a country or territory which is itself the subject or target of comprehensive countrywide or territory-wide Sanctions (including, without limitation, Cuba, Iran, North Korea, Sudan and Syria).

"Sanctioned Person" means (a) any Person that is the target or subject of Sanctions or listed in any Sanctions-related list of designated Persons maintained by the U.S. government (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State) or by the United Nations Security Council, the European Union or any European Union member state, (b) any Person located, organized or resident in a Sanctioned Country, or (c) any Person Controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State or (b) the United Nations Security Council, the European Union, any European Union member state or Her Majesty's Treasury of the United Kingdom.

"Scheduled Maturity Date" means the date falling five years after the First Amendment Effective Date.

"Second Amendment" means the Second Amendment to Revolving Credit Agreement relating to this Agreement dated as of February 17, 2016, by and among the Borrower, the Agent and the Lenders listed on the signature pages thereof.

"Second Amendment Effective Date" means the "Effective Date" under and as defined in the Second Amendment.

"Secured Parties" has the meaning assigned thereto in the Security Agreement.

"Securities Act" means the Securities Act of 1933, as amended.

"Security Agent" has the meaning assigned to such term in the recitals to this Agreement.

"Security Agreement" means the Security Agreement to be executed and delivered by the Borrower and each of the other Loan Parties on the Restructuring Date, substantially in the form of Exhibit K, as amended by the First Amendment to Security Agreement dated as of the Second Amendment Effective Date.

"Solvency Certificate" means a Solvency Certificate substantially in the form of Exhibit J.

"Solvent", with respect to any Person, means that as of the date of determination (a) the then fair saleable value of the property of such Person is (1) greater than the total amount of liabilities (including contingent liabilities) of such Person and (2) not less than the amount that will be required to pay the probable liabilities on such Person's then existing debts as they become absolute and due considering all financing alternatives and potential asset sales reasonably available to such Person, (b) such Person's capital is not unreasonably small in relation to its business or any contemplated or undertaken transaction, and (c) such Person does not intend to incur, or believe that it will incur, debts beyond its ability to pay such debts as they become due. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Spot Rate" for a currency means the rate determined by the Agent or the applicable Issuing Bank, as applicable, as the spot rate for the purchase of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two Business Days prior to the date as of which the foreign exchange computation is made; provided that the Agent or such Issuing Bank, as applicable, may obtain such spot rate from another financial institution designated by the Agent or such Issuing Bank, as applicable, if it does not have as of the date of determination a spot buying rate for any such currency; and provided further that such Issuing Bank may use such spot rate quoted on the date as of which the foreign exchange computation is made in the case of any Letter of Credit denominated in an Alternative Currency.

"subsidiary" with respect to any Person, means:

(i) any corporation of which the outstanding Equity Interests having at least a majority of the votes entitled to be cast in the election of directors under ordinary circumstances shall at the time be owned, directly or indirectly by such Person; or

(ii) any other Person of which at least a majority of the voting interest under ordinary circumstances is at the time, directly or indirectly, owned by such Person.

"Subsidiary" means, unless the context otherwise requires, a Subsidiary of the Borrower.

"Subsidiary Applicant" means each Wholly-Owned Domestic Subsidiary from time to time approved in writing as a Subsidiary Applicant pursuant to an Adherence Agreement executed and delivered by such Subsidiary, the Borrower, the Agent, and the Issuing Bank, in each case other than any such Subsidiary that has ceased to be a Subsidiary Applicant pursuant to Section 2.23.

"Subsidiary Guarantor" means any Domestic Subsidiary that has executed and delivered a counterpart of the Subsidiary Guaranty on or after the Restructuring Date.

"Subsidiary Guaranty" means the subsidiary guaranty executed by each Subsidiary Guarantor on or after the Restructuring Date substantially in the form attached hereto as Exhibit H.

"Substitute Basis" has the meaning set forth in Section 2.20.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, similar charges or withholdings imposed by any Governmental Authority.

"Tech Credit Agreement" means that certain First Amended and Restated Purchase Agreement, dated November 1, 2010, between SunPower North America LLC and Technology Credit Corporation, as amended on January 25, 2011 and April 18, 2011.

"Total Guaranteed LOC Available Amount" means, as of any date of determination, an amount equal to the aggregate unused and available "Commitment Amount" under and as defined in the Total Guaranteed LOC Facility Agreement as of such date; provided that such "Commitment Amount" shall be deemed to be $0 for purposes of this Agreement if (a) the scheduled maturity date of the Total Guaranteed LOC Facility Agreement or such "Commitment Amount" is less than one year after the latest date on which an Uncollateralized Letter of Credit is scheduled to expire, or (b) the Borrower's obligations under the Total Guaranteed LOC Facility Agreement are not guaranteed in full by the Parent Guarantor.

"Total Guaranteed LOC Facility Agreement" means the Letter of Credit Facility Agreement dated as of August 9, 2011 by and among the Borrower, Total S.A., the subsidiary applicants parties thereto from time to time, the banks parties thereto from time to time, and Deutsche Bank AG New York Branch, as issuing bank and administrative agent, as amended on December 20, 2011, December 19, 2012, December 23, 2013, December 23, 2014 and October 7, 2015 and as further amended from time to time.

"Total Guaranteed LOC Minimum Amount" means, as at any date of determination, an amount equal to the Uncollateralized Letter of Credit Usage as of such date multiplied by 105.0%.

"Total Revolving Credit Commitment" means, at any time, the aggregate amount of Revolving Credit Commitments, as in effect at such time. The ~~initial~~ Total

Revolving Credit Commitment as of the ~~Closing~~Second Amendment Effective Date is $~~250,000,000~~300,000,000.

"Total Utilization of Revolving Credit Commitments" means, as at any date of determination, the sum of (i) the aggregate principal amount of all outstanding Revolving Loans (other than Revolving Loans made for the purpose of reimbursing any Issuing Bank for any amount drawn under any Letter of Credit issued by such Issuing Bank, but not yet so applied), and (ii) the Letter of Credit Usage.

"Transaction Subsidiary" means, in respect of any Utility and Commercial Transaction, the Project Finance Subsidiary or entity which, but for a sale of its equity interests effected pursuant to an earlier Utility and Commercial Transaction, would qualify as a Project Finance Subsidiary, subject to such Utility and Commercial Transaction.

"Transactions" means, collectively, the execution, delivery and performance by the Borrower of the Loan Documents (including the granting of Liens to the Security Agent for the benefit of the Secured Parties pursuant to the Collateral Documents on and after the Restructuring Date), the making of the ~~Borrowings~~Credit Extensions hereunder, and the use of proceeds thereof in accordance with the terms hereof.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York.

"Uncollateralized Letter of Credit" means any Letter of Credit other than a Collateralized Letter of Credit.

"Uncollateralized Letter of Credit Usage" means, as at any date of determination, the sum of (i) the Dollar Equivalent of the maximum aggregate amount which is, or at any time thereafter may become, available for drawing under all Uncollateralized Letters of Credit then outstanding, and (ii) the Dollar Equivalent of the aggregate amount of all drawings under Uncollateralized Letters of Credit honored by any Issuing Bank and not theretofore reimbursed by or on behalf of Borrower (including through Revolving Loans).

"Unpaid 2014 Debentures Amount" means, (a) as of December 31, 2013 or as of March 31, 2014, as applicable, the aggregate amount of 2014 Debentures then outstanding, and (b) as of any other date of determination, $0.

"Unpaid 2015 Debentures Amount" means, (a) as of September 30, 2014 or as of December 31, 2014, as applicable, the aggregate amount of 2015 Debentures then outstanding, and (b) as of any other date of determination, $0.

"Unpaid 2018 Debentures Amount" means, (a) as of December 31, 2017 or as of March 31, 2018, as applicable, the aggregate amount of 2018 Debentures then outstanding, and (b) as of any other date of determination, $0.

"Unpaid Debentures Amount" means, as of any date of determination, an amount equal to the sum of the Unpaid 2014 Debentures Amount ~~and~~, the Unpaid 2015 Debentures Amount and the Unpaid 2018 Debentures Amount as of such date.

"Unpaid Debentures Applicable Date" means (a) with respect to the Unpaid 2014 Debentures Amount, December 31, 2013 and March 31, 2014, ~~and~~ (b) with respect to the Unpaid 2015 Debentures Amount, September 30, 2014 and December 31, 2014, and (c) with respect to the Unpaid 2018 Debentures Amount, December 31, 2017 and March 31, 2018.

"Unreimbursed Amount" has the meaning assigned to such term in Section 2.21(d).

"USA PATRIOT Act" means The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. No. 107-56 (signed into law October 26, 2001)), as amended from time to time.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Certificate" has the meaning specified in Section 2.15(f).

"Utility and Commercial Transaction" means any transaction or series of transactions consummated after the First Amendment Effective Date pursuant to which the Borrower or any of its Subsidiaries receives cash proceeds from the sale of a portion (but not all) of the Equity Interests in a Transaction Subsidiary that owns a utility and/or commercial development project; provided that (i) such sale is to one or more non-Affiliates of the Borrower and is consummated on arm's-length terms, (ii) such Transaction Subsidiary has no outstanding Indebtedness other than Project Indebtedness, and (iii) no portion of the consideration payable to the Borrower and its Subsidiaries has been deferred, no future installment payments are due, and all such consideration has been paid in cash; and provided further that, solely for purposes of clause (i) above, it is expressly agreed that Total S.A. and its Affiliates (excluding the Borrower and its Subsidiaries) shall be deemed to be Non-Affiliates of the Borrower.

"Wholly-Owned Domestic Subsidiary" means any Domestic Subsidiary of which all of the total voting power of shares of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the members of the Board of Directors is at the time owned or controlled, directly or indirectly, as applicable, by the Borrower or one or more of the other Subsidiaries of the Borrower or a combination thereof, other than non-controlling interests owned or controlled by tax equity investors or local partners.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"Withholding Agent" means the Borrower or the Agent.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

SECTION 1.02. Classification of Revolving Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a "LIBO Rate Loan"). Borrowings may also be classified and referred to by Type (e.g., a "LIBO Rate Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". Unless otherwise specifically indicated, the term "consolidated" with respect to any Person refers to such Person consolidated with its Subsidiaries. The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Effectuation of Transactions. Each of the representations and warranties of the Borrower contained in this Agreement (and all corresponding definitions) are made after giving effect to the Transactions, unless the context otherwise requires.

SECTION 1.05. Accounting Terms; GAAP. Except as otherwise

expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP or, if not defined in GAAP (as determined by the Borrower in good faith) as determined by the Borrower in good faith, as in effect from time to time; provided that, to the extent set forth in clause (c) of the definition of "GAAP", if the Borrower notifies the Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Agent notifies the Borrower that the Required Lenders request an amendment to any provision thereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. The Borrower hereby agrees that any election pursuant to FASB Statement No. 159 (*The Fair Value Option for Financial Assets and Financial Liabilities*) shall be disregarded for purposes of Section 5.02 and Section 5.12.

SECTION 1.06. Exchange Rates; Currency Equivalents. (a) The applicable Issuing Bank shall determine the Spot Rates as of each Revaluation Date to be used for calculating Dollar Equivalent amounts of Letters of Credit issued by such Issuing Bank and other amounts denominated in Alternative Currencies. Such Spot Rates shall become effective as of such Revaluation Date and shall be the Spot Rates employed in converting any amounts between the applicable currencies until the next Revaluation Date to occur. Except for purposes of financial statements delivered by Loan Parties hereunder or calculating financial covenants hereunder or except as otherwise provided herein, the applicable amount of any currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Equivalent amount as so determined by the applicable Issuing Bank. The Issuing Bank shall notify the Agent of such Dollar Equivalent amount as calculated on the applicable Revaluation Date.

(b) Wherever in this Agreement in connection with the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Letter of Credit is denominated in an Alternative Currency, such amount shall be the relevant Alternative Currency Equivalent of such Dollar amount (rounded to the nearest unit of such Alternative Currency, with 0.5 of a unit being rounded upward), as determined by the Agent or the applicable Issuing Bank, as the case may be.

SECTION 1.07. Letter of Credit Amounts. (a) Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the Dollar Equivalent of the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any documentation related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the Dollar Equivalent of the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

(b) Borrower may from time to time request that Letters of Credit be issued in a currency other than those specifically listed in the definition of "Alternative Currency"; provided that such requested currency is a lawful currency (other than Dollars) that is readily available and freely transferable and convertible into Dollars. Such request shall be subject to the approval of the applicable Issuing Bank, which approval shall not be unreasonably withheld, conditioned or delayed. If an Issuing Bank consents to the issuance of Letters of Credit in such requested currency, such Issuing Bank shall so notify the Borrower and the Agent, and such currency shall thereupon be deemed for all purposes to be an Alternative Currency hereunder for the purposes of any Letter of Credit.

ARTICLE II

The Credits

SECTION 2.01. Revolving Loan Commitments. (a) Subject to the terms and conditions set forth herein, each Lender agrees, severally and not jointly, to make Revolving Loans to the Borrower, at any time and from time to time after the Closing Date, and until the earlier of the Revolving Credit Maturity Date and the termination of the Revolving Credit Commitment of such Lender in accordance with the terms hereof, in an aggregate principal amount at any time outstanding that will not result in such Lender's Revolving Credit Exposure exceeding such Lender's Revolving Credit Commitment. Within the limits set forth in the preceding sentence and subject to the terms, conditions and limitations set forth herein, the Borrower may borrow, pay or prepay and reborrow Revolving Loans.

(b) Each Lender having an Incremental Revolving Credit Commitment hereby agrees, severally and not jointly, on the terms and subject to the conditions set forth herein and in the applicable Incremental Revolving Credit Assumption Agreement, to make Incremental Revolving Loans to the Borrower, in an aggregate principal amount at any time outstanding that will not result in such Lender's Incremental Revolving Credit Exposure exceeding such Lender's Incremental Revolving Credit Commitment. Within the limits set forth in the preceding sentence and subject to the terms, conditions and limitations set forth herein, the Borrower may borrow, pay or prepay and reborrow Incremental Revolving Loans.

(c) The Revolving Credit Commitment of each Lender as of the Second Amendment Effective Date shall be as specified on the Amended Commitment Schedule then in effect as of such date.

SECTION 2.02. Revolving Loans and Borrowings. (a) Each Revolving Loan shall be made as part of a Borrowing consisting of Revolving Loans of the same Type made by the Lenders ratably in accordance with their applicable Revolving Credit Commitments. The failure of any Lender to make any Revolving Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Revolving Credit Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Revolving Loans as required. The Revolving Loans comprising any Borrowing shall be in an aggregate principal amount that is (i) in an integral multiple of $1,000,000 and not less than

$1,000,000 or (ii) equal to the remaining available balance of the applicable Revolving Credit Commitments.

(b) Subject to Section 2.12, each Borrowing shall be comprised entirely of ABR Loans or LIBO Rate Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any LIBO Rate Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that (i) any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement, and (ii) in exercising such option, such Lender shall use reasonable efforts to minimize any increase in the Adjusted LIBO Rate or increased costs to the Borrower resulting therefrom (which obligation of such Lender shall not require it to take, or refrain from taking, actions that it determines would result in increased costs for which it will not be compensated hereunder or that it otherwise determines would be disadvantageous to it and in the event of such request for costs for which compensation is provided under this Agreement, the provisions of Section 2.13 shall apply).

(c) At the commencement of each Interest Period for any LIBO Rate Borrowing, such Borrowing shall comprise an aggregate principal amount that is an integral multiple of $1,000,000 and not less than $1,000,000. Each ABR Borrowing when made shall be in a minimum principal amount of $1,000,000; provided that an ABR Borrowing may be maintained in a lesser amount equal to the difference between the aggregate principal amount of all other Borrowings and the total amount of Loans at such time outstanding. Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of ten different Interest Periods in effect for LIBO Rate Borrowings at any time outstanding.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Revolving Credit Borrowing if the Interest Period requested with respect thereto would end after the Revolving Credit Maturity Date.

SECTION 2.03. Requests for Borrowing. (a) In order to request a Revolving Credit Borrowing, the Borrower shall notify the Agent of such request either in writing by delivery of a Borrowing Request (by hand, electronic mail, or facsimile) signed by the Borrower or by telephone (to be confirmed promptly by hand delivery, electronic mail, or facsimile of written notice) not later than 11:00 a.m., New York City time, (A) in the case of a LIBO Rate Borrowing, three (3) Business Days before a proposed Revolving Credit Borrowing (or such later time on such Business Day as shall be acceptable to the Agent) and (B) in the case of an ABR Borrowing, one (1) Business Day before a proposed Revolving Credit Borrowing (or such later time as shall be acceptable to the Agent and each Lender). Each such telephonic and written Borrowing Request shall be irrevocable and shall specify the following information in compliance with Section 2.01:

(i) the aggregate amount of the requested Revolving Credit Borrowing;

(ii) the date of the Revolving Credit Borrowing, which shall be a Business Day;

(iii) whether the Revolving Credit Borrowing then being requested is to be an Incremental Revolving Credit Borrowing, and whether such Revolving Credit Borrowing is to be an ABR Borrowing or a LIBO Rate Borrowing;

(iv) in the case of a LIBO Rate Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(v) the location and number of the Borrower's account to which funds are to be disbursed;

provided, however, that notwithstanding any contrary specification in any Borrowing Request, each requested Revolving Credit Borrowing shall comply with the requirements set forth in Section 2.02 and Section 2.04.

(b) If no election as to the Type of Revolving Credit Borrowing is specified, then the requested Revolving Credit Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any LIBO Rate Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of the Borrowing Request in accordance with this Section 2.03 (but in any event on the same day such Borrowing Request is received by the Agent), the Agent shall advise each Lender of the details thereof and of the amount of such Lender's Revolving Loan to be made as part of the requested Revolving Credit Borrowing.

SECTION 2.04. Funding of Borrowings. (a) Each Lender shall make each Revolving Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 (noon), New York City time, to the account of the Agent most recently designated by it for such purpose by notice to the Lenders.

(b) Unless the Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Agent such Lender's share of such Borrowing, the Agent may assume that such Lender has made such share available on the date of such Borrowing in accordance with Section 2.04(a) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the Borrowing available to the Agent, then the applicable Lender and the Borrower severally agree to pay to the Agent forthwith on demand (without duplication) such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate reasonably determined by the Agent in accordance with banking industry rules on

interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Agent, then such amount shall constitute such Lender's Loan as part of such Borrowing for purposes of this Agreement. Nothing herein shall be deemed to relieve any Lender from its obligation to fulfill its Revolving Credit Commitments or to prejudice any rights which the Agent or the Borrower may have against any Lender as a result of any default by such Lender hereunder.

SECTION 2.05. Type; Interest Elections. (a) Revolving Loans shall initially be of the Type specified in the applicable Borrowing Request and, in the case of a LIBO Rate Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert all or any portion of any Revolving Credit Borrowing (subject to the minimum amounts for Revolving Credit Borrowings of the applicable Type specified in Section 2.02(c)) to a different Type or to continue such Revolving Credit Borrowing and, in the case of a LIBO Rate Borrowing, may elect Interest Periods therefor, all as provided in this Section 2.05. The Borrower may elect different options with respect to different portions of the affected Revolving Credit Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Revolving Loans comprising such Revolving Credit Borrowing, and the Revolving Loans comprising each such portion shall be considered a separate Revolving Credit Borrowing.

(b) To make an election pursuant to this Section 2.05, the Borrower shall notify the Agent of such election by telephone (i) in the case of an election to convert to or continue as a LIBO Rate Borrowing, not later than 11:00 a.m., New York City time, three (3) Business Days before the date of the proposed conversion or continuation or (ii) in the case of an election to convert to or continue as an ABR Borrowing, not later than 10:00 a.m., New York City time, on the date of the proposed conversion or continuation. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery, electronic mail, or facsimile to the Agent of a written Interest Election Request in a form approved by the Agent and signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a LIBO Rate Borrowing; and

(iv) if the resulting Borrowing is a LIBO Rate Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a LIBO Rate Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a LIBO Rate Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default of the type set forth in clause (a) or (b) of Article VII (without giving effect to any grace period set forth therein) has occurred and is continuing and the Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing, (i) no outstanding Borrowing may be converted to or continued as a LIBO Rate Borrowing and (ii) unless repaid, each LIBO Rate Borrowing shall be converted to an ABR Borrowing at the end of the then current Interest Period applicable thereto.

SECTION 2.06. Termination and Reduction of Commitments. (a) The Revolving Credit Commitments shall automatically terminate on the Revolving Credit Maturity Date and as set forth in Section 2.20.

(b) Upon at least three Business Days' prior irrevocable written or fax notice (or telephonic notice promptly confirmed by written notice) to the Agent, the Borrower may at any time in whole permanently terminate, or from time to time in part permanently reduce, the Revolving Credit Commitments; provided, however, that (i) each partial reduction of the Revolving Credit Commitments shall be in an integral multiple of $1,000,000 and in a minimum amount of $1,000,000, (ii) the Total Revolving Credit Commitment shall not be reduced to an amount that is less than the Aggregate Revolving Credit Exposure at the time, ~~and~~ (iii) the Borrower may condition a notice of termination of all of the Revolving Credit Commitments upon the effectiveness of a replacement financing, and (iv) the Borrower may condition a notice of termination of the Revolving Credit Commitments (or, if applicable, the Revolving Credit Commitments of the Exiting Lenders) upon the consummation of a Change in Control.

(c) Each reduction in the Revolving Credit Commitments hereunder, other than a reduction resulting from the termination of the Exiting Lenders' Revolving Credit Commitments in connection with a Change in Control Amendment, shall be made ratably among the Lenders in accordance with their respective Revolving Credit Commitments. The Borrower shall pay to the Agent for the account of the

applicable Lenders, on the date of termination of the Revolving Credit Commitments (or the Exiting Lenders' Revolving Credit Commitments, as the case may be), all accrued and unpaid Commitment Fees relating to the same but excluding the date of such termination.

SECTION 2.07. Repayment of Revolving Loans; Evidence of Debt. (a) The Borrower hereby unconditionally promises to pay to each Lender, through the Agent, the then unpaid principal amount of each Revolving Loan of such Lender on the Revolving Credit Maturity Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period (if any) applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender and its registered assigns and in substantially the form of Exhibit F hereto. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the payee named therein and its registered assigns.

SECTION 2.08. Optional Prepayment of Revolving Loans. (a) Upon prior notice in accordance with paragraph (b) of this Section, the Borrower shall have the right at any time and from time to time to prepay any Revolving Credit Borrowing in whole or in part without premium or penalty (but subject to Section 2.14); provided that each partial prepayment shall be in an amount that is an integral multiple of $1,000,000 and not less than $1,000,000.

(b) The Borrower shall notify the Agent by telephone (confirmed by facsimile) of any prepayment hereunder (i) in the case of prepayment of a

LIBO Rate Borrowing, not later than 11:00 a.m., New York City time, three (3) Business Days before the date of prepayment or (ii) in the case of prepayment of an ABR Borrowing, not later than 10:00 a.m., New York City time, on the day of prepayment. Each such notice shall be irrevocable (except in the case of a repayment in full of all of the Obligations, which may be conditioned upon the effectiveness of a new financing) and shall specify the prepayment date and the principal amount of each Revolving Credit Borrowing or portion thereof to be prepaid. Promptly following receipt of any such notice relating to a Revolving Credit Borrowing, the Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Revolving Credit Borrowing shall be in an amount that would be permitted in the case of a Revolving Credit Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Revolving Credit Borrowing shall be applied ratably to the Revolving Loans included in the prepaid Revolving Credit Borrowing; provided that any prepayments made to Exiting ~~Lenders~~Banks in connection with a termination of their Revolving Credit Commitments shall be applied ratably to the applicable Revolving Loans of such Exiting ~~Lenders~~Banks. Prepayments shall be accompanied by accrued interest as required by Section 2.11 and any prepayment of LIBO Rate Loans shall be subject to the provisions of Section 2.14; provided, however, that in the case of a prepayment of an ABR Revolving Loan that is not made in connection with a termination of the Revolving Credit Commitments, the accrued and unpaid interest on the principal amount prepaid shall be payable on the next scheduled Interest Payment Date with respect to such ABR Revolving Loan.

SECTION 2.09. Mandatory Prepayment of Revolving Loans; Application of Proceeds of Collateral and Payments after Event of Default. (a) In the event of any termination of all the Revolving Credit Commitments, the Borrower shall, on the date of such termination, repay or prepay all its outstanding Revolving

Credit Borrowings, together with accrued interest thereon, accrued Fees and all other amounts payable to the Lenders hereunder.

(b) If ~~as a result of any partial reduction of the Revolving Credit Commitments (including any such reduction pursuant to Section 2.20)~~at any time the Aggregate Revolving Credit Exposure ~~would exceed~~exceeds the Total Revolving Credit Commitment ~~after giving effect thereto~~, then the Borrower shall~~, on the date of such reduction,~~ repay or prepay Revolving Credit Borrowings in an amount sufficient to eliminate such excess.

(c) Upon the occurrence and during the continuation of an Event of Default, if requested by Required Lenders, or upon acceleration of the Obligations pursuant to ~~ARTICLE~~Article VII, (x) all payments received by the Agents, whether from the Borrower, a Subsidiary Applicant, the Parent Guarantor or any other Loan Party and (y) all proceeds received by the Agents in respect of any sale of, collection from, or other realization upon all or any part of the Collateral under any of the Collateral Documents may, in the discretion of the Agents, be held by the Agents as Collateral for, and/or (then or at any time thereafter) applied in full or in part by the Agents, in each case in the following order of priority:

i. to the payment of all costs and expenses of such sale, collection or other realization, all other expenses, liabilities and advances made or incurred by the Agents in connection therewith, and all amounts for which the Agents are entitled to compensation (including the fees described in Section 2.10), reimbursement and indemnification under any Loan Document and all advances made by the Agents thereunder for the account of the applicable Loan Party or Subsidiary Applicant, and to the payment of all costs and expenses paid or incurred by the Agents in connection with the Loan Documents, all in accordance with Section 9.03 and the other terms of this Agreement and the Loan Documents;

ii. thereafter, to the payment of all ~~other Obligations~~Revolving Loans to the full extent thereof (with accrued interest being paid in full prior to application of amounts to pay principal); ~~and~~

iii. thereafter, to prepay outstanding reimbursement obligations with respect to drawn Letters of Credit;

iv. thereafter, to Cash Collateralize Letters of Credit; and

v. ~~iii.~~thereafter, to the payment to or upon the order of the Borrower or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

SECTION 2.10. Fees. (a) The Borrower agrees to pay to each Non-Defaulting Lender ~~(other than a Defaulting Lender), through the Agent, on the last Business Day of March, June, September and December in each year and on each date on which any Revolving Credit Commitment of such Lender shall expire or be terminated as provided herein, a commitment fee (a "Commitment Fee") equal to the Applicable Rate per annum in effect from time to time on the daily unused amount of the Revolving Credit Commitments of such Lender during the preceding quarter (or other period commencing with the Closing Date or ending with the Revolving Credit Maturity Date or the date on which the Revolving Credit Commitments of such Lender shall expire or be terminated). All Commitment Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days. The Commitment Fee due to each Lender shall commence to accrue on the Closing Date and shall cease to accrue on the date on which the Revolving Credit Commitments of such Lender shall expire or be terminated as provided herein.~~

(b) The Borrower agrees to pay to the Agent, for distribution to each of the Lenders in accordance with their respective Applicable Percentages, letter of credit fees equal to (1) the Applicable LOC Rate per annum in effect from time to time times (2) the Dollar Equivalent of the average aggregate daily maximum amount available to be drawn under all outstanding Letters of Credit (regardless of whether any conditions for drawing could then be met and determined as of the close of business on any date of determination) during the preceding quarter (or other

period commencing with the Second Amendment Effective Date or ending with the Revolving Credit Maturity Date or the date on which the Revolving Credit Commitments of such Lender shall expire or be terminated).

~~(b)~~

~~(c)~~

~~(i)~~

~~(ii)~~

~~(iii)~~

(c) The Borrower agrees to pay directly to each Issuing Bank, for its own account, the following fees:

(i) if an Initial Issuing Bank is the Issuing Bank, the fees required in the 2016 Issuing Bank Fee Letter;

(ii) if any other Person besides an Initial Issuing Bank is the Issuing Bank, such fronting fees as may be separately agreed upon by the Borrower and such Issuing Bank payable in the amounts and at the times as so agreed upon; and

(iii) in all cases, such documentary and processing charges for any issuance, amendment, transfer or payment of a Letter of Credit issued by

such Issuing Bank as are in accordance with such Issuing Bank's standard schedule for such charges and as in effect at the time of such issuance, amendment, transfer or payment, as the case may be.

All fees referred to in Sections 2.10(a) and 2.10(b) shall be computed on the basis of the actual number of days elapsed in a year of 360 days and shall be payable in Dollars. All fees referred to in Sections 2.10(a) and 2.10(b) shall be payable quarterly in arrears on the last Business Day of March, June, September and December in each year and on each date on which any Revolving Credit Commitment of such Lender shall expire or be terminated as provided herein. All fees payable pursuant to Section 2.10(c)(i) in respect of any Letter of Credit issued by an Initial Issuing Bank shall be computed in accordance with the 2016 Issuing Bank Fee Letter and payable in the amounts and at the times specified in the 2016 Issuing Bank Fee Letter.

(d) ~~(b)~~The Borrower agrees to pay to the Agent, for its own account, the agency fees set forth in the Fee Letters, as amended, restated, supplemented or otherwise modified from time to time, or such agency fees as may otherwise be separately agreed upon by the Borrower and the Agent payable in the amounts and at the times specified therein or as so otherwise agreed upon (the "Agent Fees").

(e) ~~(c)~~All Fees shall be paid on the dates due, in immediately available funds, to (i) the Agent for distribution, if and as appropriate, among the Lenders or (ii) with respect to the fees referred to in Section 2.10(c), to each applicable Issuing Bank.

SECTION 2.11. Interest. (a) The Revolving Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Revolving Loans comprising each LIBO Rate Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, upon the occurrence and during the continuance of an Event of Default referred to in paragraphs (a), (b), (g), and (h) of Article VII, at the written request of the Required Lenders, any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder shall bear interest, payable on demand, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2.0% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2.0% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section. Payment or acceptance of the increased rates of interest provided for in this Section 2.11(c) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of the Agent or any Lender.

(d) Accrued interest on each Loan shall be payable to the applicable Lenders, through the Agent, in arrears on each Interest Payment Date for such Loan; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any LIBO Rate Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Agent, and such determination shall be conclusive absent manifest error.

(f) In the event that any financial statement or Compliance Certificate delivered pursuant to Section 5.01 is shown to be inaccurate (regardless of whether this Agreement or the Revolving Credit Commitments are in effect when such

inaccuracy is discovered), and such inaccuracy, if corrected, would have led to the application of a higher Applicable Rate for any period (an "Applicable Period") than the Applicable Rate applied for such Applicable Period, then (i) the Borrower shall immediately deliver to the Agent a correct Compliance Certificate for such Applicable Period, (ii) the Applicable Rate shall be determined as if the highest level of pricing provided in the definition of Applicable Rate were applicable for such Applicable Period, and (iii) the Borrower shall immediately pay the Agent for the benefit of the Lenders the accrued additional interest owing as a result of such increased Applicable Rate for such Applicable Period. This Section 2.11(f) shall not limit the rights of the Agent and the Lenders with respect to Section 2.11(c) and Article VII. The Borrower's obligations under this Section 2.11(f) shall survive the termination of the Revolving Credit Commitments and the repayment of all other Obligations hereunder.

(g) The Borrower agrees to pay to each Issuing Bank, with respect to drawings honored under any Letter of Credit, interest on the amount paid by such Issuing Bank in respect of each such honored drawing from the date such drawing is honored to but excluding the date such amount is reimbursed by or on behalf of Borrower at a rate equal to (i) for the period from the date such drawing is honored to but excluding the applicable Reimbursement Date, the rate of interest otherwise payable hereunder with respect to Revolving Loans that are ABR Loans, and (ii) thereafter, a rate which is 2.0% per annum in excess of the rate of interest otherwise payable hereunder with respect to Revolving Loans that are ABR Loans.

SECTION 2.12. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a LIBO Rate Borrowing:

(a) the Agent determines (which determination shall be conclusive absent manifest error) that dollar deposits in the principal amount of the Loans comprising such Borrowing are not generally available in the London interbank market;

(b) the Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period; or

(c) the Agent is advised by the Required Lenders that the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Agent shall promptly give notice thereof to the Borrower and the Lenders by telephone or facsimile as promptly as practicable thereafter and, until the Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, any request by the Borrower for a LIBO Rate Borrowing pursuant to Section 2.03 or 2.05 shall be deemed to be a request for an ABR Borrowing. In the event that the Agent shall give such a notice, the Borrower and the Agent (in consultation with the Lenders) shall promptly enter into negotiations in good faith with a view to agreeing on

an alternative basis acceptable to the Borrower and the Lenders for the interest rate which shall be applicable to future LIBO Rate Borrowings.

SECTION 2.13. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (which term shall include Issuing Banks for purposes of this Section 2.13) (except any such reserve requirement reflected in the Adjusted LIBO Rate); ~~or~~

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (c) through (e) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) ~~(ii)~~impose on any Lender or the London interbank market any other condition affecting this Agreement or LIBO Rate Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any LIBO Rate Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender or such other Recipient of issuing, maintaining or participating in any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit),or to reduce the amount of any sum received or receivable by such Lender or such other Recipient hereunder (whether of principal, interest or otherwise), in each case by an amount the Lender or other Recipient reasonably determines to be material, then, following delivery of the certificate contemplated by paragraph (c) of this Section, within fifteen (15) days after demand the Borrower will pay to such Lender or other Recipient such additional amount or amounts as will compensate such Lender or other Recipient for such additional costs incurred or reduction suffered (except for (i~~) any Taxes, which shall be dealt with exclusively pursuant to Section 2.15, (ii) changes in the basis of taxation of overall net income or overall gross income by the United States or by the foreign jurisdiction or state under the laws of which such Lender is organized or has its lending office for the Revolving Loans or any political subdivision thereof, (iii~~) any increased cost in respect of which a Lender is entitled to compensation under any other provision of this Agreement, (~~iv~~ii) any payment to the extent that it is attributable to the requirement of any Governmental Authority which regulates a Lender or its holding company which is imposed by reason of the quality of such Lender's assets or those of its holding company and not generally imposed on all entities of the same kind regulated by the same authority, or (~~v~~iii) any increased cost arising by reason of a Lender voluntarily breaching any lending limit or other similar restriction imposed by any provision of any relevant law or regulation after the introduction thereof).

(b) If any Lender determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the ~~Loans~~Credit Extensions made to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (excluding, for purposes of this Section, any such increased costs resulting from any change to the extent that it is attributable to the requirement of any Governmental Authority which regulates a Lender or its holding company which is imposed by reason of the quality of such Lender's assets or those of its holding company and not generally imposed on all entities of the same kind regulated by the same authority) other than due to Taxes, which shall be dealt with exclusively pursuant to Section 2.15 (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time following delivery of the certificate contemplated by paragraph (c) of this Section the Borrower will within fifteen (15) days after demand pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company as specified in paragraph (a) or (b) of this Section and setting forth in reasonable detail the manner in which such amount or amounts was determined shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.14. Break Funding Payments. In the event of (a) the payment of any principal of any LIBO Rate Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any LIBO Rate Loan or the conversion of the Interest Period with respect to any LIBO Rate Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any LIBO Rate Loan on the date specified in any notice delivered pursuant hereto, or (d) the assignment of any LIBO Rate Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.17, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In

the case of a LIBO Rate Loan, such loss, cost or expense to any Lender shall not include loss of profit or margin and shall be deemed to be the amount reasonably determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section and the basis therefor and setting forth in reasonable detail the manner in which such amount or amounts was determined shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

SECTION 2.15. Taxes. (a) Any and all payments by or on account of any obligation of the Borrower hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all such required deductions (including such deductions applicable to additional sums payable under this Section), the ~~Agent or Lender (as applicable)~~Recipient receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall timely pay the full amount so deducted to the relevant Governmental Authority in accordance with applicable law. If at any time the Borrower is required by applicable law to make any deduction or withholding from any sum payable hereunder, the Borrower shall promptly notify the relevant ~~Lender and the Agent~~Recipient upon becoming aware of the same. In addition, each ~~Lender or the Agent~~Recipient shall promptly notify the Borrower upon becoming aware of any circumstances as a result of which the Borrower is or would be required to make any deduction or withholding from any sum payable hereunder.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify ~~the Agent and~~ each ~~Lender~~Recipient, within ten (10) days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by ~~the Agent or~~ such ~~Lender~~Recipient on or with respect to any payment by or on account of any obligation of the Borrower hereunder or under any other Loan Document (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto,

whether or not such Indemnified Taxes or Other Taxes (or related penalties, interest, or additions to tax) were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender, an Issuing Bank or by the Agent on its own behalf or on behalf of an Issuing Bank or a Lender shall be conclusive absent manifest error.

(d) Each Lender shall severally indemnify the Agent, within ten (10) days after written demand therefor, for the full amount of any Excluded Taxes paid by the Agent on behalf of such Lender on or with respect to any payment by or on account of any obligation of the Borrower hereunder or under any other Loan Document and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Excluded Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to a Lender by the Agent shall be conclusive absent manifest error.

(e) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Agent.

(f) (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments under any Loan Document shall deliver to the Borrower (with a copy to the Agent), at the time or times as reasonably requested by the Borrower or the Agent, such properly completed and executed documentation as reasonably requested by the Borrower or the Agent as will permit such payments to be made without withholding or at a reduced rate.

~~(i)~~ (ii) Without limiting the generality of the foregoing, any Lender shall, if it is legally eligible to do so, deliver to the Borrower (with a copy to the Agent), on or prior to the date on which such Lender becomes a party hereto, two duly signed, properly completed copies of whichever of the following is applicable:

(A) in the case of a Lender that is not a Foreign Lender, IRS Form W-9;

(B) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (1) with respect to payments of interest under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (2) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from U.S. Federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(C) in the case of a Foreign Lender for whom payments under any Loan Document constitute income that is effectively connected with such Lender's conduct of a trade or business in the United States, IRS Form W-8ECI;

(D) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code both (1) IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, and (2) a certificate (a "U.S. Tax Certificate") to the effect that such Lender is not (a) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (b) a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (c) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code;

(E) in the case of a Foreign Lender that is not the beneficial owner of payments made under any Loan Document (including a partnership or a Participant) (1) an IRS Form W-8IMY on behalf of itself and (2) the relevant forms prescribed in clauses (A), (B), (C), (D), (F) and (G) of this paragraph (f)(ii) that would be required of each such beneficial owner or partner of such partnership if such beneficial owner or partner were a Lender; provided, however, that if the Lender is a partnership and one or more of its partners are claiming the exemption for portfolio interest under Section 881(c) of the Code, such Lender may provide a U.S. Tax Certificate on behalf of such partners;

(F) if a payment made to a Foreign Lender under any Loan Document would be subject to any withholding Taxes as a result of such Foreign Lender's failure to comply with the requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code), at the time or times prescribed by law and at such time or times reasonably requested by the Withholding Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Withholding Agent as may be necessary for the Withholding Agent to comply with its obligations under FATCA, to determine that such Foreign Lender has or has not complied with such Foreign Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment; or

(G) any other form prescribed by law as a basis for claiming exemption from, or a reduction of, U.S. Federal withholding Tax together with such supplementary documentation necessary to enable the Borrower or the Agent to determine the amount of Tax (if any) required by law to be withheld.

~~(ii)~~ (iii) Thereafter and from time to time, each Foreign Lender shall, if it is legally eligible to do so, (A) promptly submit to the Borrower (with a copy to the Agent) such additional duly completed and signed copies of one or more of the forms or certificates described in Section 2.15(f)(ii)(A), (B), (C), (D) or (E) above (or such successor forms or certificates as shall be adopted from time to time by the relevant United States taxing authorities) as may then be available under then current United States laws and regulations to avoid, or such evidence as is reasonably satisfactory to the Borrower and the Agent of any available exemption from, or reduction of, United States withholding Taxes in respect of all payments to be made to such Foreign Lender by the Borrower pursuant to this Agreement, or any other Loan Document, in each case, (1) after the occurrence of any event requiring a change in the most recent form, certificate or evidence previously delivered by it to the Borrower and (2) from time to time thereafter if reasonably requested by the Borrower or the Agent, and (B) promptly notify the Borrower and the Agent of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(g) If the Agent or a Lender determines, in its reasonable discretion, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by the Borrower or the Parent Guarantor or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.15 or the Parent Guarantor has paid additional amounts pursuant to the Parent Guaranty, it shall reimburse to the Borrower or the Parent Guarantor, as the case may be, such amount as the Agent or such Lender determines to be the proportion (but not more than 100%) of such refund as will leave the Agent or such Lender (after that reimbursement) in no better or worse position in respect of the worldwide liability for Taxes or Other Taxes of the Agent, or such Lender (including in each case its Affiliates) than it would have been if no such indemnity had been required under this Section. This Section shall not be construed to require the Agent or any Lender to make available its tax returns (or any other information relating to its Taxes which it deems confidential) to the Borrower, the Parent Guarantor or any other Person.

SECTION 2.16. Payments Generally; Allocation of Proceeds; Sharing of Set-offs. (a) Unless otherwise specified, the Borrower shall make each payment required to be made by it hereunder and under any other Loan

Document (whether of principal, interest or fees, or of amounts payable under Section 2.13, 2.14 or 2.15, or otherwise) prior to 12:00 (noon), New York City time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Agent to the applicable account designated to the Borrower by the Agent, except that payments pursuant to Sections 2.13, 2.14, 2.15 and 9.03 shall be made directly to the Persons entitled thereto. The Agent shall distribute any such payments received by it, except as otherwise provided, for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in Dollars. Any payment required to be made by the Agent hereunder shall be deemed to have been made by the time required if the Agent shall, at or before such time, have taken the necessary steps to make such payment in accordance with the regulations or operating procedures of the clearing or settlement system used by the Agent to make such payment.

(b) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans of other Lenders at such time outstanding to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Revolving Loans to any assignee or participant, other than to the Borrower or any subsidiary thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(c) Unless the Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Agent for the account of the Lenders that the Borrower will not make such payment, the Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in

reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation.

(d) If any Lender shall fail to make any payment required to be made by it pursuant to Sections 2.04(a), 2.16(c), 2.21(e) or 9.03(c), then the Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

(e) Except as otherwise provided herein, each Borrowing, each payment or prepayment of principal of any Borrowing, each payment of interest on the Revolving Loans, each payment of the Commitment Fees, each reduction of the Revolving Credit Commitments and each conversion of any Borrowing to or continuation of any Borrowing as a Borrowing of any Type shall be allocated pro rata among the Lenders in accordance with their respective applicable Revolving Credit Commitments (or, if such Revolving Credit Commitments shall have expired or been terminated, in accordance with the respective principal amounts of their outstanding Revolving Loans).

SECTION 2.17. Mitigation Obligations; Replacement of Lenders. (a) If any Issuing Bank or Lender requests compensation under Section 2.13, or if the Borrower is required to pay any additional amount to any Issuing Bank or Lender or any Governmental Authority for the account of any Issuing Bank or Lender pursuant to Section 2.15, then such Issuing Bank or Lender shall use reasonable efforts to designate a different lending office for funding or booking its Revolving Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the reasonable judgment of such Issuing Bank or Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.13 or 2.15, as applicable, in the future and (ii) would not subject such Issuing Bank or Lender to any material unreimbursed cost or expense and would not otherwise be disadvantageous to such Issuing Bank or Lender in any material respect. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Issuing Bank or Lender in connection with any such designation or assignment.

(b) In the event (i) any Lender requests compensation under Section 2.13 and such Lender has declined or is unable to designate a different lending office in accordance with Section 2.17(a), or (ii) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15 and such Lender has declined or is unable to designate a different lending office in accordance with Section 2.17(a), or (iii) any Lender becomes a Defaulting Lender or an Exiting ~~Lender~~Bank, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Agent, replace such

Lender by requiring such Lender to assign and delegate (and such Lender shall be obligated to assign and delegate), without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 9.04), all its interests, rights (other than its existing rights to payments pursuant to Section 2.13 or Section 2.15) and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Revolving Loans, accrued interest thereon, accrued Fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and Fees) or the Borrower (in the case of all other amounts) ~~and~~, (iii) if such Lender is also an Issuing Bank, Borrower shall have caused each outstanding Letter of Credit issued thereby to be cancelled or Cash Collateralized in the same currency as such Letter of Credit in the Minimum Collateral Amount, and (iv) in the case of any such assignment resulting from a claim for compensation under Section 2.13 or payments required to be made pursuant to Section 2.15, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 2.18. Illegality. If any Lender reasonably determines that any Change in Law has made it unlawful, or that any Governmental Authority has asserted after the Closing Date that it is unlawful, for such Lender or its applicable lending office to make or maintain any LIBO Rate Loans, then, on notice thereof by such Lender to the Borrower through the Agent, any obligations of such Lender to make or continue LIBO Rate Loans or to convert ABR Borrowings to LIBO Rate Borrowings shall be suspended until such Lender notifies the Agent and the Borrower that the circumstances giving rise to such determination no longer exist and until such notice is given by such Lender, the Borrower shall only request ABR Borrowings from such Lender. Upon receipt of such notice, the Borrower shall upon demand from such Lender (with a copy to the Agent), either convert all LIBO Rate Borrowings of such Lender to ABR Borrowings, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such LIBO Rate Borrowings to such day, or immediately, if such Lender may not lawfully continue to maintain such Revolving Loans. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted. Each Lender agrees to designate a different lending office if such designation will avoid the need for such notice and will not, in the determination of such Lender, otherwise be disadvantageous to it.

SECTION 2.19. Increase in Commitments. (a) The Borrower may, by written notice to the Agent from time to time, request Incremental Revolving Credit Commitments and/or Other Revolving Credit Commitments in an aggregate amount not to exceed the Incremental Revolving Credit Amount from one or more Incremental Lenders, which may include any existing Lender (each of which shall

be entitled to agree or decline to participate in its sole discretion); provided that (i) each Incremental Lender, if not already a Lender hereunder, shall be subject to the approval of the Agent and each Issuing Bank (which ~~approval~~approvals shall not be unreasonably withheld) and (ii) in no event shall any Incremental Revolving Credit Commitments or Other Revolving Credit Commitments become effective if (x) prior to the Restructuring Date, the effectiveness of such commitments would cause the aggregate amount of Revolving Credit Commitments and Other Revolving Credit Commitments to exceed the principal amount of the Loans guaranteed by the Parent Guarantor pursuant to the Parent Guaranty and (y) the Agent has not received customary legal opinions, board resolutions and other customary closing certificates and closing documentation as required by the relevant Incremental Revolving Credit Assumption Agreement and, to the extent required by the Agent or any Issuing Bank, consistent with those required to be delivered in connection with a Borrowing pursuant to Section 4.01 if prior to the Restructuring Date or Section 4.03 if on or after the Restructuring Date, and such additional customary documents and filings as the Agent or any Issuing Bank may reasonably require. Such notice shall set forth (i) the amount of the Incremental Revolving Credit Commitments or Other Revolving Credit Commitments being requested (which shall be in minimum increments of $1,000,000 and a minimum amount of $10,000,000 or equal to the remaining Incremental Revolving Credit Amount), (ii) the date on which such Incremental Revolving Credit Commitments or Other Revolving Credit Commitments are requested to become effective (which shall not be less than ten (10) Business Days nor more than 60 days after the date of such notice, unless otherwise agreed to by the Agent) and (iii) whether the Borrower is requesting Incremental Revolving Credit Commitments or commitments to make revolving loans with terms different from the Revolving Loans ("Other Revolving Loans"). Without limiting the foregoing, as a further condition precedent to the effectiveness of any Incremental Revolving Credit Commitment and/or Other Revolving Credit Commitment, the Borrower shall deliver to the Agent a certificate of the Borrower dated as of the date on which such Incremental Revolving Credit Commitments or Other Revolving Credit Commitments are requested to become effective signed by a Financial Officer certifying that, before and after giving effect to such Incremental Revolving Credit Commitment and/or Other Revolving Credit Commitment, (x) the representations and warranties set forth in Article III hereof (other than (1) prior to the Restructuring Date, Section 3.04, Section 3.16 and Section 3.17, and (2) on or after the Restructuring Date, Section 3.04) and in each other Loan Document are true and correct in all material respects on and as of the date thereof with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case they shall be true and correct in all material respects on and as of such earlier date (provided that, in each case, such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), and (y) no Event of Default, or event or condition that would constitute an Event of Default but for the requirement that notice be given or time elapse or both, has occurred and is continuing.

(b) The Borrower may seek Incremental Revolving Credit Commitments and/or Other Revolving Credit Commitments from existing Lenders (each of which shall be entitled to agree or decline to participate in its sole discretion) and,

subject to the approval of the Agent and each Issuing Bank (which ~~approval~~approvals shall not be unreasonably withheld), additional banks, financial institutions and other institutional lenders who will become Incremental Lenders in connection therewith. The Borrower and each Incremental Lender shall execute and deliver to the Agent an Incremental Revolving Credit Assumption Agreement and such other documentation as the Agent or any Issuing Bank shall reasonably specify to evidence the Incremental Revolving Credit Commitment or the Other Revolving Credit Commitments, as applicable, of such Incremental Lender. Each Incremental Revolving Credit Assumption Agreement shall specify the terms of the Incremental Revolving Loans or Other Revolving Loans to be made thereunder; provided that, without the prior written consent of all Issuing Banks and all Lenders, (i) the final maturity of any Other Revolving Loans shall be no earlier than the Revolving Credit Maturity Date and (ii) prior to the Restructuring Date, the aggregate amount of Revolving Credit Commitments and Other Revolving Credit Commitments shall not at any time exceed the principal amount of the Loans guaranteed by the Parent Guarantor pursuant to the Parent Guaranty.

(c) The Applicable Rate with respect to any Incremental Revolving Loans shall be the same as the Applicable Rate for the existing Revolving Loans and the Applicable Rate with respect to any Other Revolving Loans shall not be greater than the Applicable Rate for the existing Revolving Loans; provided that the Applicable Rate of the existing Revolving Loans may be increased (but may not be decreased) to equal the Applicable Rate for such Incremental Revolving Loans or such Other Revolving Loans to satisfy the requirements of this paragraph (c). The other terms of any Incremental Revolving Loans shall be the same as the terms of the other Revolving Loans. The other terms of any Other Revolving Loans and the Incremental Revolving Credit Assumption Agreement in respect thereof, to the extent not consistent with the terms applicable to the Revolving Loans hereunder, shall otherwise be reasonably satisfactory to the Agent and, to the extent that such Incremental Revolving Credit Assumption Agreement contains any covenants, events of default, representations or warranties or other rights or provisions that place greater restrictions on the Borrower or are more favorable to the Lenders making such Other Revolving Loans, the existing Lenders shall be entitled to the benefit of such rights and provisions so long as such Other Revolving Loans remain outstanding and such additional rights and provisions shall be deemed automatically incorporated by reference into this Agreement, *mutatis mutandis*, as if fully set forth herein, without any further action required on the part of any Person effective as of the date of such Incremental Revolving Credit Assumption Agreement. The Agent shall promptly notify each Issuing Bank and each Lender as to the effectiveness of each Incremental Revolving Credit Assumption Agreement. Each of the parties hereto hereby agrees that, upon the effectiveness of any Incremental Revolving Credit Assumption Agreement, this Agreement shall be amended to the extent (but only to the extent) necessary to reflect the existence and terms of the Incremental Revolving Credit Commitments or Other Revolving Credit Commitments evidenced thereby as provided for in Section 9.02. Any such deemed amendment may be memorialized in writing by the Agent and each Issuing Bank with the Borrower's consent (not to be unreasonably withheld) and furnished to the other parties hereto.

SECTION 2.20. Change in Control. (a) If a Change in Control occurs prior to expiration or termination of the Revolving Credit Commitments and the Issuing Bank Commitments, the Borrower shall promptly so notify the Agent, who shall promptly give notice thereof to each of the ~~Lenders~~Banks (with a copy to the Borrower). Upon the Agent giving such notice, (i) the Revolving Credit Commitments and the Issuing Bank Commitments shall be suspended and no Credit Extensions shall be made until the effectiveness of a Change in Control Amendment, if any, in accordance with this Section 2.20, and (ii) the Agent (in consultation with the ~~Lenders~~Banks) and the Borrower may enter into negotiations in good faith with a view to agreeing on a revised basis for making ~~Loans~~Credit Extensions available to the Borrower hereunder consistent with terms and conditions and market practice for similarly situated borrowers (a "Substitute Basis").

(b) If, before the expiration of thirty (30) days from the date of such notice from the Agent (the "Review Period"), the Borrower, the Issuing Banks and the Required Lenders shall agree on a Substitute Basis, then the Agent shall promptly so notify the ~~Lenders~~Banks. Each ~~Lender~~Bank must then notify the Agent within five days whether such Lender will participate in future ~~Loans~~Credit Extensions made under a Substitute Basis ~~or be an Exiting~~and, in the case of each Lender, ~~and~~whether such Lender is an Exiting Bank. Each Bank agrees that it will be deemed to be an Exiting ~~Lender~~Bank if it does not provide such notice to the Agent on a timely basis. Within the later of (i) five days of receipt by the Agent of such notifications from all of the ~~Lenders~~Banks and (ii) the expiration of the Review Period (the "Change in Control Amendment Date"), the Borrower, the Agent and each non-Exiting ~~Lender~~Bank shall enter into a Change in Control Amendment and such other documentation as the Agent shall reasonably specify to evidence the Substitute Basis and revised terms and conditions, in each case in form and substance satisfactory to the Borrower, the Agent and each Lender party thereto. If the Borrower, the Issuing Banks and the Required Lenders do not agree on a Substitute Basis before the end of the Review Period, then (i) the Agent shall so notify the ~~Lenders~~Banks, (ii) the Borrower shall prepay all principal, interest, Fees and other ~~amounts~~Obligations relating to the ~~Loans~~Credit Extensions within five days of the end of the Review Period, ~~and~~ (iii) the Borrower shall Cash Collateralize all outstanding Letters of Credit, and (iv) all of the Revolving Credit Commitments and Issuing Bank Commitments shall automatically be terminated on such date.

(c) Each ~~Lender~~Bank shall be entitled to agree or decline to participate in its sole discretion in future ~~Loans~~Credit Extensions made under a Substitute Basis. On the Change in Control Amendment Date and as a condition to the effectiveness of any Change in Control Amendment, each Exiting ~~Lender~~Bank shall (i) have its Revolving Credit Commitment terminated or be replaced as a Lender pursuant to and in accordance with Section 2.17(b) ~~and~~, (ii) have its Issuing Bank Commitment, if any, terminated, and (iii) receive payment in full of all amounts then outstanding in respect of principal, interest, Fees and other ~~amounts~~Obligations relating to its ~~Loans~~Credit Extensions, whether pursuant to Section 2.17(b) or otherwise. Upon the effectiveness of any Change in Control Amendment (i) this Agreement shall be amended to the extent

(but only to the extent) necessary to reflect the existence and terms of the Change in Control Amendment, evidenced thereby as provided for in Section 9.02, and (ii) each Exiting ~~Lender~~Bank shall no longer be a party to this Agreement.

(d) Nothing in this Section 2.20 shall limit or otherwise modify (i) the obligation of the Borrower to satisfy all of its Obligations on the Revolving Credit Maturity Date or (ii) the rights and remedies of the ~~Agent~~Agents, the Issuing Banks and the Lenders under Article VII.

SECTION 2.21. Issuance of Letters of Credit and Purchase of Participations Therein.

~~(a)~~

(a) Letters of Credit. During the Letter of Credit Commitment Period, subject to the terms and conditions hereof, each Issuing Bank agrees to issue Letters of Credit for the account of any Loan Party or any Subsidiary Applicant in the aggregate amount up to but not exceeding the Letter of Credit Sublimit; provided that (i) each Letter of Credit shall be denominated in Dollars or one or more Alternative Currencies (provided that any Letter of Credit denominated in an Alternative Currency shall provide that draws on such Letter of Credit may be paid in Dollars); (ii) the stated amount of each Letter of Credit shall not be less than $50,000 or such lesser amount as is acceptable to the applicable Issuing Bank; (iii) after giving effect to such issuance, in no event shall the Total Utilization of Revolving Credit Commitments exceed the Revolving Credit Commitments then in effect; (iv) after giving effect to such issuance, in no event shall the Letter of Credit Usage exceed the Letter of Credit Sublimit then in effect (notwithstanding that the aggregate Issuing Bank Commitments may exceed the Letter of Credit Sublimit at any time); (v) after giving effect to such issuance, in no event shall the Letter of Credit Usage with respect to all Letters of Credit issued by any Issuing Bank exceed the Issuing Bank Commitment of such Issuing Bank then in effect; (vi) in no event shall any Letter of Credit have an expiration date later than the date which is two years from the date of issuance of such Letter of Credit; and (vii) in no event shall any Letter of Credit have an expiration date later than the Letter of Credit Expiration Date. Upon satisfaction of the conditions set forth in Section 4.03 (including without limitation Section 4.03(c)) and subject to the foregoing, any Issuing Bank may agree to extend a Letter of Credit issued by it for one or more successive periods not to exceed one year each; provided that such Issuing Bank shall not permit the extension of any such Letter of Credit if it has received written notice that a Change in Control has occurred (unless such Issuing Bank has entered into a Change in Control Amendment) or an Event of Default has occurred and is continuing; provided, further, if any Lender is a Defaulting Lender, no Issuing Bank shall be required to issue any Letter of Credit unless such Issuing Bank has entered into arrangements, including reallocation of such Lender's Applicable Percentage of the outstanding Obligations with respect to Letters of Credit issued by such Issuing Bank or Cash Collateralization pursuant to Section 2.22 satisfactory to such Issuing Bank (in its sole discretion) to eliminate such Issuing Bank's risk with respect to the participation in Letters of Credit of the Defaulting Lender. In the event of any

inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, an Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

Notwithstanding anything to the contrary contained herein, no Issuing Bank shall be under any obligation to issue any Letter of Credit if:

(i) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such Issuing Bank from issuing such Letter of Credit, or any law, regulation or statute applicable to such Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Issuing Bank shall prohibit, or request that such Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular; or (ii) such Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder.

Each Loan Party and Subsidiary Applicant acknowledges that the rights and obligations of the applicable Issuing Bank under each Letter of Credit is independent of the existence, performance or nonperformance of any contract or arrangement underlying such Letter of Credit, including contracts or arrangements between such Issuing Bank and the Loan Party or Subsidiary Applicant and between the Loan Party or Subsidiary Applicant and the beneficiary.

(b) Notice of Issuance. Whenever a Loan Party or a Subsidiary Applicant desires the issuance or amendment of a Letter of Credit, the Borrower shall deliver to the Agent (who shall provide a copy to the Lenders) and the applicable Issuing Bank an Issuance Notice no later than 12:00 p.m. (New York City time) at least three Business Days, or such shorter period as may be agreed to by an Issuing Bank in any particular instance, in advance of the proposed date of issuance or amendment. Upon satisfaction of the conditions set forth in Section 2.23, in the case of a Subsidiary Applicant, and Section 4.03, the applicable Issuing Bank shall issue or amend the requested Letter of Credit only in accordance with such Issuing Bank's standard operating procedures. If requested by the Issuing Bank, the Borrower also shall submit a letter of credit application (appropriately completed and signed by an authorized officer of the Borrower and, if applicable, the other Loan Party or Subsidiary Applicant requesting the issuance of the Letter of Credit, including agreed-upon draft language for such Letter of Credit reasonably acceptable to the applicable Issuing Bank) on such Issuing Bank's standard form in connection with any request for a Letter of Credit; provided that, in the event of any conflict between the terms hereof and the terms of any such application, the terms hereof shall control. Upon the issuance of any Letter of Credit or amendment or modification to a Letter of Credit, the applicable Issuing Bank shall promptly notify the Agent and each Lender of such issuance, amendment or modification, which notice shall be accompanied by a copy of such Letter of Credit or amendment or

modification to a Letter of Credit and the amount of such Lender's respective participation in such Letter of Credit pursuant to Section 2.21(e).

(c) Responsibility of Issuing Bank With Respect to Requests for Drawings and Payments. In determining whether to honor any drawing under any Letter of Credit by the beneficiary thereof, the applicable Issuing Bank shall be responsible only to examine the documents delivered under such Letter of Credit with reasonable care so as to ascertain whether they appear on their face to be in accordance with the terms and conditions of such Letter of Credit. As between the Loan Parties and any Issuing Bank, the Loan Parties assume all risks of the acts and omissions of, or misuse of the Letters of Credit issued by such Issuing Bank, by the respective beneficiaries of such Letters of Credit. In furtherance and not in limitation of the foregoing, no Issuing Bank shall be responsible for: (i) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for and issuance of any such Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) failure of the beneficiary of any such Letter of Credit to comply fully with any conditions required in order to draw upon such Letter of Credit; (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they be in cipher; (v) errors in interpretation of technical terms; (vi) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Letter of Credit or of the proceeds thereof; (vii) the misapplication by the beneficiary of any such Letter of Credit of the proceeds of any drawing under such Letter of Credit; or (viii) any consequences arising from causes beyond the control of such Issuing Bank, including any Governmental Acts; none of the above shall affect or impair, or prevent the vesting of, any of such Issuing Bank's rights or powers hereunder. Without limiting the foregoing and in furtherance thereof, any action taken or omitted by any Issuing Bank under or in connection with the Letters of Credit or any documents and certificates delivered thereunder, if taken or omitted in good faith, shall not give rise to any liability on the part of any Issuing Bank to the Loan Parties or the Subsidiary Applicants. Notwithstanding anything to the contrary contained in this Section 2.21(c), the Loan Parties shall retain any and all rights they may have against an Issuing Bank for any liability arising out of the gross negligence or willful misconduct of such Issuing Bank.

(d) Reimbursement by Borrower of Amounts Drawn or Paid Under Letters of Credit. In the event an Issuing Bank has honored a drawing under a Letter of Credit, it shall promptly notify the Borrower and the Agent, and the Borrower shall reimburse such Issuing Bank on or before the date which is three Business Days following the date on which such drawing is honored (the "Reimbursement Date") in an amount in (x) if such Letter of Credit is denominated in Dollars, Dollars and (y) if such Letter of Credit is denominated in an Alternative Currency, such Alternative Currency, unless (A) such Issuing Bank (at its option) shall have specified in such notice that it will

require reimbursement in Dollars, or (B) in the absence of any such requirement for reimbursement in Dollars, the Borrower shall have notified such Issuing Bank promptly following receipt of the notice of drawing that the Borrower will reimburse such Issuing Bank in Dollars and, in each case of clause (x) and (y), in same day funds equal to the amount of such honored drawing ("Unreimbursed Amount"); provided, anything contained herein to the contrary notwithstanding, (i) unless the Borrower shall have notified the Agent and the applicable Issuing Bank prior to 10:00 a.m. (New York City time) on the date such drawing is honored that Borrower intends to reimburse such Issuing Bank for the Unreimbursed Amount with funds other than the proceeds of Revolving Loans, Borrower shall be deemed to have given a timely Borrowing Request to the Agent requesting Lenders to make Revolving Loans that are ABR Loans on the Reimbursement Date in an amount in Dollars equal to the Dollar Equivalent of the amount of such honored drawing, and (ii) Lenders shall, on the Reimbursement Date, make Revolving Loans that are ABR Loans in the amount of such honored drawing, the proceeds of which shall be applied directly by the Agent to reimburse such Issuing Bank for the amount of such honored drawing; and provided, further, if for any reason proceeds of Revolving Loans are not received by the applicable Issuing Bank on the Reimbursement Date in an amount equal to the amount of such honored drawing, Borrower shall reimburse such Issuing Bank, on demand, in an amount in same day funds equal to the excess of the amount of such honored drawing over the aggregate amount of such Revolving Loans, if any, which are so received. In the case of any such reimbursement in Dollars of a drawing under a Letter of Credit denominated in an Alternative Currency, such Issuing Bank shall notify Borrower of the Dollar Equivalent of the amount of the drawing promptly following the determination thereof; provided that the Reimbursement Date for such drawing shall be the date which is three Business Days following Borrower's receipt of such notice.

(e) Lenders' Purchase of Participations in Letters of Credit. Immediately upon the issuance of each Letter of Credit, each Lender (including each Incremental Lender) shall be deemed to have purchased, and hereby irrevocably agrees to purchase, from the applicable Issuing Bank issuing such Letter of Credit a participation (denominated in Dollars in the amount of the Dollar Equivalent thereof in the case of a Letter of Credit denominated in an Alternative Currency) in, and undivided interest in, such Letter of Credit and any drawings honored thereunder in an amount equal to such Lender's Applicable Percentage of the maximum amount which is or at any time may become available to be drawn thereunder, and the obligations of the Loan Parties under the Loan Documents with respect thereto, and any security therefor or guaranty pertaining thereto. In the event that Borrower does not for any reason reimburse the applicable Issuing Bank as provided in Section 2.21(d), such Issuing Bank shall promptly notify each Lender of the Unreimbursed Amount and of such Lender's respective participation therein based on such Lender's Applicable Percentage of the Revolving Credit Commitments. Each Lender shall make available to the applicable Issuing Bank an amount equal to its respective participation, in Dollars and in same day funds, at the office of such Issuing Bank specified in such notice, not later than 12:00 p.m. (New York City time) on the first Business Day (under the laws of the jurisdiction in which such office of the applicable Issuing Bank is located) after the date notified by such Issuing

Bank; provided that no Lender shall have any obligation to make such amount available to the Issuing Bank after the termination of its Commitment on the Scheduled Maturity Date. In the event that any Lender fails to make available to the applicable Issuing Bank on such Business Day the amount of such Lender's participation in such Letter of Credit as provided in this Section 2.21(e), such Issuing Bank shall be entitled to recover such amount on demand from such Lender together with interest thereon for three Business Days at the rate customarily used by such Issuing Bank for the correction of errors among banks and thereafter at the Alternate Base Rate. Nothing in this Section 2.21(e) shall be deemed to prejudice the right of any Lender to recover from the applicable Issuing Bank any amounts made available by such Lender to such Issuing Bank pursuant to this Section 2.21(e) in the event that the payment with respect to a Letter of Credit in respect of which payment was made by such Lender constituted gross negligence or willful misconduct on the part of such Issuing Bank. In the event the applicable Issuing Bank shall have been reimbursed by other Lenders pursuant to this Section 2.21(e) for all or any portion of any drawing honored by such Issuing Bank under a Letter of Credit, such Issuing Bank shall distribute in Dollars to each Lender which has paid all amounts payable by it under this Section 2.21(e) with respect to such honored drawing such Lender's Applicable Percentage of all payments subsequently received by such Issuing Bank from the Borrower in reimbursement of such honored drawing when such payments are received. Any such distribution shall be made to a Lender at its primary address set forth in its Administrative Questionnaire or at such other address as such Lender may request.

(f) Obligations Absolute. The obligation of the Loan Parties to reimburse an Issuing Bank for drawings honored under the Letters of Credit issued by it and to repay any Revolving Loans made by Lenders pursuant to Section 2.21(d) and the obligations of Lenders under Section 2.21(e) shall be unconditional and irrevocable and shall be paid strictly in accordance with the terms hereof under all circumstances including any of the following circumstances: (i) any lack of validity or enforceability of any Letter of Credit or this Agreement; (ii) the existence of any claim, set-off, defense or other right which any Loan Party, any Subsidiary Applicant or any Lender may have at any time against a beneficiary or any transferee of any Letter of Credit (or any Persons for whom any such transferee may be acting), such Issuing Bank, Lender or any other Person or, in the case of a Lender, against any Loan Party or any Subsidiary Applicant, whether in connection herewith, the transactions contemplated herein or any unrelated transaction (including any underlying transaction between Borrower or one of its Subsidiaries and the beneficiary for which any Letter of Credit was procured); (iii) any draft or other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; (iv) payment by such Issuing Bank under any Letter of Credit against presentation of a draft or other document which does not comply with the terms of such Letter of Credit; (v) any adverse change in the business, operations, properties, assets, condition (financial or otherwise) or prospects of the Borrower or any of its Subsidiaries; (vi) any breach hereof or any other Loan Document by any party thereto; (vii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing; (viii) any adverse change in the relevant

exchange rates or in the availability of the relevant Alternative Currency to the Borrower or any Subsidiary or in the relevant currency markets generally; (ix) the fact that an Event of Default or Default shall have occurred and be continuing; or (x) the Letter of Credit Expiration Date occurs after the Revolving Credit Maturity Date. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the applicable Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit. The foregoing provisions of this Section 2.21(f) shall not excuse an Issuing Bank from liability to the applicable Loan Party against such Issuing Bank following reimbursement of each Letter of Credit disbursement in full by such Loan Party to the extent of any direct (but not consequential) damages suffered by the applicable Loan Party that are caused by the Issuing Bank's gross negligence or willful misconduct; provided that (i) such Issuing Bank shall be deemed to have acted with reasonable care if it acts in accordance with standard letter of credit practice of commercial banks located in New York City and (ii) the applicable Loan Party's aggregate remedies against such Issuing Bank for wrongfully honoring a presentation shall not exceed the aggregate amount paid by such Loan Party to the Issuing Bank with respect to the honored presentation, plus interest.

(g) Indemnification. Without duplication of any obligation of the Borrower under Section 9.03, in addition to amounts payable as provided herein, the Borrower hereby agrees to protect, indemnify, pay and save harmless each Issuing Bank from and against any and all claims, demands, liabilities, damages, losses, costs, charges and expenses (including reasonable fees, expenses and disbursements of counsel and allocated costs of internal counsel) which such Issuing Bank may incur or be subject to as a consequence, direct or indirect, of (i) (A) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby, (B) the issuance of any Letter of Credit by such Issuing Bank or the use of the proceeds therefrom (including any refusal by such Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), or (C) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not such claim, litigation, investigation or proceeding is brought by the Borrower or its equity holders, Affiliates, creditors or any other third Person and whether based on contract, tort or any other theory and regardless of whether such Issuing Bank is a party thereto, in each case other than as a result of the gross negligence or willful misconduct of such Issuing Bank as determined by a final, non-appealable judgment of a court of competent jurisdiction, or (ii) the failure of such Issuing Bank to honor a drawing under any such Letter of Credit as a result of any Governmental Act.

(h) Addition, Resignation and Removal of Issuing Bank. Any Lender (or Affiliate of a Lender) may become an Issuing Bank at any time by written agreement between the Borrower, the Agent and such Lender. An Issuing Bank

may resign as Issuing Bank upon 60 days prior written notice to the Agent, Lenders and the Borrower. An Issuing Bank may be replaced at any time by written agreement among the Borrower, the Agent, the replaced Issuing Bank (provided that no consent of such Issuing Bank will be required if the replaced Issuing Bank has no Letters of Credit or reimbursement obligations with respect thereto outstanding) and the successor Issuing Bank. The Agent shall notify the Lenders of any such replacement of such Issuing Bank. At the time any such replacement or resignation shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank. From and after the effective date of any such addition, replacement or resignation, (i) any additional or successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such additional Issuing Bank or to such successor Issuing Bank, or to any previous Issuing Bank or current Issuing Bank (other than any additional or successor Issuing Bank), or to any combination thereof, as the context shall require. After the replacement or resignation of an Issuing Bank hereunder, the replaced or resigning Issuing Bank shall remain a party hereto to the extent that Letters of Credit issued by it remain outstanding and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement or resignation, but shall not be required to issue additional Letters of Credit.

(i) Cash Collateralization of Letters of Credit.

~~(ii)~~

(i) If the Agent notifies the Borrower at any time, including on any Revaluation Date, that the Letter of Credit Usage exceeds the Letter of Credit Sublimit then in effect, then, within three Business Days after receipt of such notice, the Borrower shall Cash Collateralize the outstanding Letters of Credit in an aggregate amount sufficient to reduce such Letter of Credit Usage (net of Cash Collateralized amounts) as of such date of payment to an amount not to exceed 100% of the Letter of Credit Sublimit then in effect.

(ii) With respect to any Letter of Credit of any Issuing Bank with an expiration date on or after the Revolving Credit Maturity Date, no later than five Business Days prior to the Revolving Credit Maturity Date, the Borrower shall either provide Cash Collateral in the same currency as such Letter of Credit or backstop letters of credit satisfactory to the applicable Issuing Bank in an amount equal to the Minimum Collateral Amount.

(iii) In the event that the Borrower does not for any reason comply with its obligation to provide Cash Collateral or backstop letters of credit as set forth in clause (ii) above, the applicable Issuing Bank shall promptly notify each Lender of the applicable Minimum Collateral Amount (and, if applicable, the Dollar Equivalent thereof) and of such Lender's respective participation therein based on such Lender's Applicable Percentage of the Revolving Credit Commitments. So long as such Lender has a Commitment hereunder and

provided that, immediately before and after giving effect to such Loan, such Lender's Revolving Credit Exposure shall not exceed such Lender's Revolving Credit Commitment, each Lender shall, not later than 12:00 p.m. (New York City time) on the first Business Day after the date notified by the applicable Issuing Bank, make Revolving Loans that are ABR Loans in the Dollar Equivalent amount of such Lender's Applicable Percentage of the Minimum Collateral Amount, the proceeds of which shall be applied directly by Agent to satisfy the Borrower's obligation to provide Cash Collateral as set forth in clause (ii) above.

(iv) If, at any time, the Leverage Ratio exceeded 4.5 to 1.0 as of (x) the last day of the most recently ended four-fiscal quarter period for which financial statements and a Compliance Certificate have been delivered, or (y) if applicable, the last day of the most recently ended four-fiscal quarter period for which financial statements and a Compliance Certificate are not yet required to be delivered under this Agreement (based on the Borrower's reasonable good faith determination of its Leverage Ratio as of the last day of such period), then the Borrower shall, as promptly as practicable but in any event within three Business Days after such Compliance Certificate is delivered or such good faith determination is made (as applicable):

(A) Cash Collateralize all outstanding Uncollateralized Letters of Credit of a type not permitted to be issued under the Total Guaranteed LOC Facility Agreement or not eligible to be backstopped by a letter of credit issued thereunder; and

(B) if the Total Guaranteed LOC Available Amount is less than the Total Guaranteed LOC Minimum Amount, Cash Collateralize the outstanding Letters of Credit in an aggregate amount sufficient to reduce the Uncollateralized Letter of Credit Usage such that the Total Guaranteed LOC Available Amount is equal to or greater than the Total Guaranteed LOC Minimum Amount.

(j) Compensation for Losses. Upon demand of any Lender (with a copy to the Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of (i) any failure by the Borrower to repay any drawing under any Letter of Credit denominated in an Alternative Currency which has not been converted to a Revolving Loan (or to pay interest due thereon) on its scheduled due date or (ii) any repayment by the Borrower of such a drawing (or payment of interest thereon) in a currency other than the currency of such Letter of Credit or Dollars, including any foreign exchange losses and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain its participation in such Letter of Credit, from fees payable to terminate the deposits from which such funds were obtained or from the performance of any foreign exchange contract. Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

A certificate of a Lender or an Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or Issuing Bank for any loss, cost or expense referred to herein shall be conclusive absent manifest error. The Borrower shall pay such Lender or Issuing Bank the amount shown as due on any such certificate within ten days after receipt thereof.

~~(b)~~

~~(c)~~

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~~(h)~~

~~(i)~~

~~(i)~~

~~(ii)~~

~~(iii)~~

~~(iv)~~

~~(A)~~

~~(B)~~

~~(j)~~

SECTION 2.22. Defaulting Lenders.

~~(a)~~

~~(i)~~

~~(ii)~~

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

~~(iii)~~

~~(iv)~~

~~(b)~~

~~(c)~~

~~(d)~~

~~(i)~~

~~(ii)~~

~~(iii)~~

~~SECTION 2.23.~~

(i) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VII or otherwise) or received by the Agent from a Defaulting Lender pursuant to Section 9.08 shall be applied at such time or times as may be determined by the Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Issuing Banks hereunder; *third*, to Cash Collateralize the Issuing Banks' Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.22(d); *fourth*, as the Borrower may request (so long as no Default or Event of Default shall have occurred and be continuing), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Agent; *fifth*, if so determined by the Agent and the Borrower, to be held in a Deposit Account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the Issuing Banks' future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.22(d); *sixth*, to the payment of any amounts owing to the Lenders or the Issuing Banks as a result of any judgment of a court of competent jurisdiction obtained by any Lender or Issuing Bank against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default shall have occurred and be continuing, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction;

provided that if (x) such payment is a payment of the principal amount of any Loans or reimbursement obligations with respect to Letters of Credit in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.03 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and reimbursement obligations with respect to Letters of Credit owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or reimbursement obligations with respect to Letters of Credit owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in Letters of Credit are held by the Lenders pro rata in accordance with the applicable Commitments without giving effect to Section 2.22(a)(iii). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.22(a)(i) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(ii) Certain Fees. (A) No Defaulting Lender shall be entitled to receive any Commitment Fee pursuant to Sections 2.10(a) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender). A Defaulting Lender shall be entitled to receive letter of credit fees pursuant to Section 2.10(b) for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Percentage of the stated amount of the Letters of Credit for which such Defaulting Lender has Cash Collateralized the Issuing Bank's Fronting Exposure with respect to such Defaulting Lender.

(B) With respect to any fees not required to be paid to any Defaulting Lender pursuant to clause (A) above, Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in Letters of Credit that has been reallocated to such Non-Defaulting Lender pursuant to clause (iii) below, (y) pay to Issuing Bank the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such Issuing Bank's Fronting Exposure to such Defaulting Lender, and (z) otherwise not be required to pay the remaining amount of any such fee.

(iii) Reallocation of Participations to Reduce Fronting Exposure. All or any part of a Defaulting Lender's participation in Letters of Credit shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Revolving Credit Commitment) but only to the extent that (x) the conditions set forth in Section 4.03 are satisfied at the time of such reallocation (and, unless Borrower shall have otherwise notified the Agent at such

time, the Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Credit Commitment. Subject to Section 9.16, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(iv) Cash Collateral. If the reallocation described in clause (iii) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under law, Cash Collateralize each Issuing Bank's Fronting Exposure in accordance with the procedures set forth in Section 2.22(d).

(b) Defaulting Lender Cure. If the Borrower, the Agent and each Issuing Bank agree in writing that a Lender is no longer a Defaulting Lender, the Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Revolving Loans of the other Lenders or take such other actions as the Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit to be held pro rata by the Lenders in accordance with the applicable Commitments (without giving effect to Section 2.22(a)(iii)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender having been a Defaulting Lender.

(c) New Letters of Credit. So long as any Lender is a Defaulting Lender, no Issuing Bank shall be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that the participations in any existing Letters of Credit as well as the new, extended, renewed or increased Letter of Credit has been or will be fully allocated among the Non-Defaulting Lenders in a manner consistent with clause (a)(iii) above and such Defaulting Lender shall not participate therein except to the extent such Defaulting Lender's participation has been or will be fully Cash Collateralized in accordance with Section 2.22(d).

(d) Cash Collateral. If at any time that there shall exist a Defaulting Lender and the reallocation described in Section 2.22(a)(iii) cannot, or can only partially, be effected, within one Business Day following the written request of the Agent or such Issuing Bank (with a copy to the Agent) the Borrower shall Cash Collateralize the Issuing Bank's Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to Section 2.22(a)(iii) and any Cash

Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Fronting Exposure Collateral Amount.

(i) Grant of Security Interest. Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to Collateral Agent, for the benefit of the applicable Issuing Bank, and agrees to maintain, a first priority security interest in all such Cash Collateral as security for the Defaulting Lenders' obligation to fund participations in respect of Letters of Credit, to be applied pursuant to clause (ii) below. If at any time the Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Agent and the applicable Issuing Bank as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Fronting Exposure Collateral Amount, the Borrower will, promptly upon demand by the Agent, pay or provide to the Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Lender).

(ii) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section 2.22 in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Lender's obligation to fund participations in respect of Letters of Credit (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(iii) Termination of Requirement. Cash Collateral (or the appropriate portion thereof) provided to reduce Issuing Bank's Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this Section 2.22 following (i) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Lender) or (ii) the determination by the Agent and such Issuing Bank that there exists excess Cash Collateral; provided that, subject to the other provisions of this Section 2.22, the Person providing Cash Collateral and such Issuing Bank may agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations; provided further that to the extent that such Cash Collateral was provided by Borrower, such Cash Collateral shall remain subject to the security interest granted pursuant to the Loan Documents.

SECTION 2.23. Subsidiary Applicants. So long as no Default or Event of Default has occurred and is continuing, the Borrower from time to time may designate any Wholly-Owned Domestic Subsidiary as a Subsidiary Applicant by (i) delivering to the Agent an Adherence Agreement executed by such Subsidiary, the Borrower, the Issuing Bank, and the Agent and (ii) taking such further actions as the Agent may reasonably request, including executing and delivering other instruments, documents, and

agreements corresponding to those obtained in respect of the Borrower, all in form and substance reasonably satisfactory to the Agent; provided that (i) the Agent and each of the Banks shall have received, at least five (5) Business Days in advance, all documentation and other information reasonably requested by it that is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act, and (ii) no Wholly-Owned Domestic Subsidiary shall become a party hereto or a Subsidiary Applicant hereunder if the Agent shall have been notified in writing by any Lender, within five (5) Business Days after any such request to add a Subsidiary Applicant hereunder, that such Lender believes that it would violate any applicable law or regulation for any Letters of Credit to be issued at such proposed Subsidiary Applicant's request or that the Agent or any Lender would be subject to any unindemnified withholding taxes. Upon such delivery and the taking of such further actions such Wholly-Owned Domestic Subsidiary shall for all purposes of this Agreement be a Subsidiary Applicant and a party to this Agreement until the Borrower shall have executed and delivered to the Agent a "Notice of Termination" (as defined in the applicable Adherence Agreement) in respect of such Subsidiary, whereupon such Subsidiary shall cease to be a Subsidiary Applicant. Notwithstanding the preceding sentence, no such Notice of Termination will become effective as to any Subsidiary Applicant at a time when any Obligations of such Subsidiary Applicant shall be outstanding hereunder or any Letter of Credit issued at the request of such Subsidiary Applicant shall be outstanding (excluding Collateralized Letters of Credit); provided that such Notice of Termination shall be effective to terminate such Subsidiary Applicant's right to request Letters of Credit hereunder.

SECTION 2.24. Guaranty by the Borrower.

(a) The Borrower hereby irrevocably and unconditionally guarantees to the Agent for its benefit and the benefit of the Issuing Bank and the other Banks, the due and punctual payment of all Obligations of each of the other Loan Parties and each of the Subsidiary Applicants (the "Guaranteed Obligations"). The Borrower agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee notwithstanding any extension or renewal of any Guaranteed Obligations. Each and every default in payment or performance on any Guaranteed Obligation shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder as each cause of action arises.

(b) To the fullest extent permitted by applicable law, the Borrower waives presentment to, demand of payment from, and protest to the applicable Subsidiary Applicant or to any other guarantor of any of the Guaranteed Obligations, and also waives notice of acceptance of its guarantee and notice of protest for nonpayment. To the fullest extent permitted by applicable law, the obligations of the Borrower hereunder shall not be affected by (i) the failure of the Agent, the Issuing Bank or any other Bank to assert any claim or demand or to enforce or exercise any right or remedy against any Subsidiary Applicant or any other Person under the provisions of the Loan Documents or otherwise; (ii) any rescission, waiver, amendment or modification of, or

any release of any Person from any of the terms or provisions of any Loan Document or any other agreement; (iii) any default, failure or delay, willful or otherwise, in the performance of any Obligations; or (iv) any other act, omission or delay to do any other act which may or might in any manner or to any extent vary the risk of the Borrower under this Section 2.24 or otherwise operate as a discharge or exoneration of the Borrower as a matter of law or equity or which would impair or eliminate any right of the Borrower to subrogation.

(c) The Borrower agrees that its guarantee hereunder constitutes a guarantee of payment when due and not of collection, that such guarantee may be enforced at any time and from time to time, on one or more occasions, during the continuance of any Event of Default, without any prior demand or enforcement in respect of any Guaranteed Obligations, and that the Borrower waives any right to require that any resort be had by the Agent, the Issuing Bank, or any other Bank to any other guarantee. The obligations of the Borrower hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason (other than the payment in full in cash of the Guaranteed Obligations), including any claim of waiver, release, surrender, amendment, modification, alteration or compromise of any of the Guaranteed Obligations or of any collateral security or guarantee or other accommodation in respect thereof, and shall not be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or any Loan Document or any provision thereof (or of this Agreement or any provision hereof) or otherwise. The obligations of the Borrower hereunder shall extend to all Obligations of the other Subsidiary Applicants without limitation of amount.

(d) To the fullest extent permitted by applicable law, the Borrower waives any defense based on or arising out of any defense of any Loan Party or any Subsidiary Applicant or any other guarantor or the unenforceability of the Guaranteed Obligations or any part thereof from any cause, or the cessation from any cause of the liability of any Loan Party or any Subsidiary Applicant, other than the final payment in full in cash of the Guaranteed Obligations. The Agent, the Issuing Bank, and the other Banks may, at their election, compromise or adjust any part of the Guaranteed Obligations, make any other accommodation with any Loan Party or any Subsidiary Applicant or any other Person or exercise any other right or remedy available to them against any Loan Party or any Subsidiary Applicant or any other Person, without affecting or impairing in any way the liability of the Borrower hereunder except to the extent the Guaranteed Obligations have been fully and finally paid. To the fullest extent permitted by applicable law, the Borrower waives any defense arising out of any such election even though such election operates, pursuant to applicable law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of the Borrower against any Loan Party or any Subsidiary Applicant or any other Person, as the case may be. The Borrower agrees that, as between the Borrower, on the one hand, and the Agent, the Issuing Bank, and the other Banks, on the other hand, (i) the maturity of the Guaranteed Obligations guaranteed hereby may be accelerated for the purposes of the Borrower's guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration as to any Loan Party or any Subsidiary Applicant in respect

of the Guaranteed Obligations (other than any notices and cure periods expressly granted to a Loan Party or a Subsidiary Applicant in this Agreement or any other Loan Document evidencing or securing the Obligations of such Loan Party or such Subsidiary Applicant) and (ii) in the event of any such acceleration of such Guaranteed Obligations, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable in full by the Borrower for purposes of this Agreement.

(e) In furtherance of the foregoing and not in limitation of any other right that the Agent, the Issuing Bank or any other Bank has at law or in equity against the Borrower by virtue hereof, upon the failure of any Loan Party or any Subsidiary Applicant to pay (after the giving of any required notice and the expiration of any cure period expressly granted to such Loan Party or such Subsidiary Applicant in this Agreement) any Guaranteed Obligation when and as the same shall become due, whether at maturity, upon mandatory prepayment, by acceleration, after notice of prepayment or otherwise, the Borrower hereby promises to and will forthwith pay, or cause to be paid, to the Agent for its benefit and the benefit of the Issuing Bank and the other Banks, in cash the amount of such unpaid Guaranteed Obligation. Upon payment by the Borrower of any sums as provided above, all rights of the Borrower against the applicable Loan Party or Subsidiary Applicant or any other Person arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subordinate and junior in right of payment to the prior payment in full in cash of all the Guaranteed Obligations. If any amount shall erroneously be paid to the Borrower on account of (i) such subrogation, contribution, reimbursement, indemnity, or similar right, or (ii) any such indebtedness of any Loan Party or any Subsidiary Applicant, such amount shall be held in trust for the benefit of the Issuing Bank and the other Banks and shall be paid to the Agent to be credited against the payment of the Guaranteed Obligations, whether matured or unmatured.

(f) The Borrower further agrees that its obligations hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Guaranteed Obligation is rescinded or must otherwise be restored by the Agent, the Issuing Bank or any other Bank upon the bankruptcy or reorganization of any Loan Party or any Subsidiary Applicant or otherwise. Nothing shall discharge or satisfy the liability of the Borrower hereunder except the full and final performance and payment in cash of the Guaranteed Obligations.

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~~(b)~~

~~(c)~~

~~(d)~~

~~(e)~~

~~(f)~~

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Agent and each of the Lenders that:

SECTION 3.01. Organization; Powers. Each Loan Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to own its property and assets and to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required. All of the Subsidiaries of the Borrower and their jurisdictions of organization, in each case, as of the Closing Date, are identified in Schedule 3. Schedule 3 correctly illustrates the corporate organizational structure of the Borrower and each Subsidiary as of the Closing Date, sets forth the ownership interest of the Borrower and each Subsidiary in each Subsidiary as of the Closing Date, and indicates whether each Subsidiary is a Project Finance Subsidiary, a Non-Project Finance Subsidiary, and/or a Material Subsidiary as of the Closing Date.

SECTION 3.02. Authorization; Enforceability. The Transactions are within each Loan Party's organizational powers and have been duly authorized by all necessary organizational action of each Loan Party. Each Loan Document has been duly executed and delivered by each Loan Party party thereto and is a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and to general principles of equity.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, except to the extent that any such failure to obtain such consent or approval or to take any such action, would not reasonably be expected to result in a Material Adverse Effect, (b) will not violate any Requirement of Law applicable to any Loan Party or any Subsidiary Applicant, (c) will not violate or result in a default under any other material indenture, agreement or other instrument binding upon any Loan Party or ~~its~~any Subsidiary Applicant or any of their respective assets, or give rise to a right thereunder to require any payment to be made by any Loan Party or any Subsidiary Applicant, and (d) will not result in the creation or imposition of any Lien on any asset of any Loan Party or any Subsidiary Applicant.

SECTION 3.04. Financial Condition. The Borrower has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, shareholders' equity and cash flows as of and for the fiscal year ended December 30, 2012, reported on by Ernst & Young LLP, independent public accountants (collectively, the "Historical Financial Statements"). Such Historical Financial Statements present

fairly, in all material respects, the financial position and results of operations and cash flows of Borrower and its consolidated Subsidiaries as of such date and for such period in accordance with GAAP.

SECTION 3.05. Properties. Each Loan Party has good and insurable fee simple title to, or valid leasehold interests in, or easements or other limited property interests in, all its real properties and has good and marketable title to its personal property and assets, in each case, except where the failure to have such title would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 3.06. Litigation. Except as disclosed in the Borrower's filings with the SEC from time to time, there are no actions, suits, proceedings or investigations by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened against or affecting any Loan Party as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

SECTION 3.07. Compliance with Laws and Agreements; Licenses and Permits. Each Loan Party is in compliance with all Requirements of Law applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.08. Investment Company Status. The Borrower is not an "investment company" as defined in, and is not required to be registered under, the Investment Company Act of 1940.

SECTION 3.09. Taxes. The Borrower has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which it has set aside on its books adequate reserves in accordance with GAAP or (b) to the extent that the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10. ERISA. No ERISA Event has occurred and is continuing or is reasonably expected to occur that either on its own or, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, would reasonably be expected to result in a Material Adverse Effect. Except as would not reasonably be expected to have a Material Adverse Effect, the present value of all accumulated benefit obligations under all Plans (based on the assumptions used for purposes of Financial Accounting Standards Board Accounting Standards Codification Topic 715) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of such Plans, in the aggregate.

SECTION 3.11. Material Agreements. The Borrower is not is in default in any material respect in the performance, observance or fulfillment of any of its obligations contained in any material agreement to which it is a party, except where such default would not reasonably be expected to have a Material Adverse Effect.

SECTION 3.12. Federal Reserve Regulations. (a) The Borrower is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock.

(b) No part of the proceeds of any Revolving Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of, or that is inconsistent with, the provisions of Regulation T, U or X.

SECTION 3.13. USA PATRIOT Act and Other Regulations. To the extent applicable, each Loan Party is in compliance, in all material respects, with (a) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (b) the USA PATRIOT Act.

SECTION 3.14. Joint Ventures. Except as disclosed in the Borrower's filings with the SEC from time to time, as of the Closing Date the Borrower owns no Equity Interest in any Joint Venture.

SECTION 3.15. Disclosure. No exhibit, report or other writing furnished by or on behalf of any Loan Party or any Subsidiary Applicant to the Agent or any Lender in connection with the negotiation of this Agreement or pursuant to the terms of the Loan Documents (as modified or supplemented by other information so furnished) contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading as of the date it was dated (or if not dated, so delivered); provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time and the Agent and the Lenders recognize and acknowledge that such projected financial information is not to be viewed as facts and that actual results during the period or periods covered by such projections may differ from the projected results and such differences may be material.

SECTION 3.16. Solvency. The Borrower is, and (after giving effect to the incurrence of any Obligations by the Borrower on any date on which this representation is made) will be, Solvent.

SECTION 3.17. Matters Relating to Collateral.

On and after the Restructuring Date:

(a) Creation, Perfection and Priority of Liens. The execution and delivery of the Collateral Documents by each Loan Party, together with (i) the actions taken to date and (ii) the delivery to the Security Agent of any Collateral not delivered to the Security Agent at the time of execution and delivery of the applicable Collateral Document are effective to create in favor of the Security Agent for the benefit of Lenders, as security for the respective Secured Obligations (as defined in the applicable Collateral Document in respect of any Collateral), a valid Lien on all of the Collateral, and all filings and other actions necessary or desirable to perfect and maintain the perfection and First Priority status of such Liens have been duly made or taken and remain in full force and effect, other than the periodic filing of UCC continuation statements in respect of UCC financing statements filed by or on behalf of the Security Agent.

(b) Governmental Authorizations. No authorization approval or other action by, and no notice to or filing with, any Governmental Authority is required for either (i) the grant by each Loan Party of the Liens purported to be created in favor of the Security Agent pursuant to any of the Collateral Documents or (ii) the exercise by the Security Agent of any rights or remedies in respect of any Collateral (whether specifically granted or created pursuant to any of the Collateral Documents or created or provided for by applicable law), except for filings or recordings contemplated by the Collateral Documents.

(c) Absence of Third-Party Filings. Except such as may have been filed in favor of the Security Agent as contemplated by the Collateral Documents, or to evidence Permitted Collateral Encumbrances, to Borrower's knowledge no effective UCC financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any filing or recording office.

SECTION 3.18. No Material Adverse Change. Since December 30, 2012, no event, change, development, condition or circumstance has occurred which, individually or in the aggregate (with any other events, changes, developments, conditions or circumstances), has had or could reasonably be expected to have a Material Adverse Effect.

SECTION 3.19. Project Indebtedness. On the Restructuring Date, Schedule 4 correctly lists all of the Project Indebtedness as of the Restructuring Date and describes the financing facilities and other arrangements establishing such Project Indebtedness (including the outstanding amount in respect thereof as of such date). On the Second Amendment Effective Date, Schedule 6 correctly lists all of the Project Indebtedness as of the Second Amendment Effective Date and describes the financing facilities and other arrangements establishing such Project Indebtedness (including the outstanding amount in respect thereof as of a recent date).

SECTION 3.20. Anti-Corruption Laws and Sanctions. Each Loan Party and each Subsidiary is in compliance, in all material respects, with Anti-Corruption Laws and Sanctions and are not engaged in any activity that would reasonably be expected to result in the Loan Parties being designated as a Sanctioned Person. Policies and

procedures the Borrower believes are designed to ensure compliance by the Loan Parties, their respective Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions have been implemented, and are maintained in effect, by the Loan Parties or otherwise on behalf of their Subsidiaries. None of (a) any Loan Party, any Subsidiary of a Loan Party or any of their respective directors, officers or employees (except any director, officer or employee of a Non-Controlled Subsidiary appointed by a Person that is not an Affiliate of any Loan Party), or (b) to the knowledge of any Loan Party, any director, officer or employee of any Non-Controlled Subsidiary (to the extent appointed by a Person that is not an Affiliate of any Loan Party, is a Sanctioned Person. No Loan or Letter of Credit or use of proceeds by any Loan Party will violate any Anti-Corruption Laws or applicable Sanctions.

ARTICLE IV

Conditions

The obligations of ~~the Lenders~~each Lender to make ~~Revolving Loans~~any Loan, or Issuing Bank to issue any Letter of Credit, hereunder are subject to the satisfaction of the following conditions:

SECTION 4.01. Borrowings Prior to the Restructuring Date. On the date of each Borrowing prior to the Restructuring Date:

(a) The Agent shall have received a notice of such Borrowing as required by Section 2.03.

(b) The representations and warranties set forth in Article III hereof (other than Section 3.04, Section 3.16 and Section 3.17) and in each other Loan Document shall be true and correct in all material respects on and as of the date of such Borrowing with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case they shall be true and correct in all material respects on and as of such earlier date; provided that, in each case, such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof.

(c) At the time of and immediately after such Borrowing, no (i) Event of Default, or (ii) event or condition that would constitute an Event of Default described in Sections (a), (b), (g), (h), (i) or (~~i~~j) of Article VII but for the requirement that notice be given or time elapse or both, has occurred and is continuing or would result from such issuance, extension or increase, shall have occurred and be continuing.

(d) Each such Borrowing shall be deemed to constitute a representation and warranty by the Borrower on the date of such Borrowing as to the matters specified in paragraphs (b) and (c) of this Section 4.01.

SECTION 4.02. Closing Date. On the Closing Date:

(a) Credit Agreement and other Loan Documents. The Agent (or its counsel) shall have received (i) from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence satisfactory to the Agent (which may include facsimile transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement, (ii) any promissory notes requested by a Lender pursuant to Section 2.07, (iii) the Parent Guaranty signed on behalf of the Parent Guarantor and (iv) the Fee Letters signed on behalf of the Borrower.

(b) Legal Opinion. The Agent shall have received, on behalf of itself and the Lenders on the Closing Date, a favorable written opinion of counsel for the Borrower in the form of Exhibit G and a favorable written opinion of in-house counsel to the Parent Guarantor with regard to matters of French law in form and substance reasonably satisfactory to the Agent.

(c) USA PATRIOT Act. The Agent shall have received, at least five Business Days prior to the Closing Date, all documentation and other information reasonably requested by it that is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act.

(d) Closing Certificates; Certified Certificate of Incorporation; Good Standing Certificates. The Agent shall have received (i) a certificate of the Borrower, dated the Closing Date and executed by its Secretary or Assistant Secretary or an Officer, which shall (A) certify the resolutions of its Board of Directors authorizing the execution, delivery and performance of the Loan Documents by the Borrower, (B) identify by name and title and bear the signatures of the Financial Officers and any other officers of the Borrower authorized to sign the Loan Documents, and (C) contain appropriate attachments, including the certificate or articles of incorporation of the Borrower certified by the relevant authority of the jurisdiction of organization of the Borrower and a true and correct copy of its by-laws, and (ii) a good standing certificate for the Borrower dated the Closing Date or a recent date prior to the Closing Date satisfactory to the Agent from the Borrower's jurisdiction of organization.

(e) Closing Date Certificate. The Agent shall have received an executed Closing Date Certificate, together with all attachments thereto, signed by the chief financial officer of the Borrower, dated the Closing Date.

(f) Fees. The Lenders and the Agent shall have received all fees required to be paid on or before the Closing Date.

(g) Financial Statements. The Agent shall have received the Historical Financial Statements, which may be deemed to have been delivered electronically to the extent the same are included in materials otherwise filed with the SEC.

(h) Termination of Existing Loan Documents. The Agent shall have received satisfactory evidence that the Existing Credit Agreement and the existing guaranty dated as of December 24, 2012 between Total S.A. and Crédit Agricole ~~Corporate and Investment Bank~~CIB, as agent, have been terminated and the Borrower has repaid in full all outstanding loans and other amounts due under the Existing Credit Agreement.

(i) Solvency Assurances. The Agent shall have received, on behalf of itself and the Lenders, an executed Solvency Certificate signed by the chief financial officer of the Borrower dated the Closing Date certifying that, after giving effect to the consummation of the transactions contemplated by the Loan Documents on the Closing Date, the Borrower will be Solvent as of the Closing Date.

SECTION 4.03. ~~Borrowings~~Credit Extensions On or After the Restructuring Date . On the date of each ~~Borrowing~~Credit Extension on or after the Restructuring Date:

(a) The Agent shall have received a ~~notice of such~~ Borrowing Request or an Issuance Notice, as the case may be, as required by Section 2.03 or Section 2.21, as applicable.

(b) The Agent shall have received, on behalf of itself and the Lenders, an executed Solvency Certificate signed by the chief financial officer of the Borrower dated the date of such ~~Borrowing~~Credit Extension certifying that, after giving effect to such ~~Borrowing~~Credit Extension, the Borrower will be Solvent as of such date.

(c) The Agent shall have received, on behalf of itself and the Lenders, an executed Compliance Certificate signed by the chief financial officer of the Borrower dated the date of such ~~Borrowing~~Credit Extension, demonstrating compliance with Sections 5.02 and 5.12 and confirming that the Leverage Ratio did not exceed 4.5 to 1.0 in each case as of (i) the last day of the most recently ended four-fiscal quarter period for which financial statements and a Compliance Certificate have been delivered, ~~and~~ (ii) if applicable, the last day of the most recently ended four-fiscal quarter period for which financial statements and a Compliance Certificate are not yet required to be delivered under this Agreement (based on the Borrower's reasonable good faith determination of its Consolidated Liquidity and Leverage Ratio as of the last day of such period)~~.~~, and (iii) the last day of the most recently ended four-fiscal quarter period on a pro forma basis after giving effect to such Credit Extension and any other Financial Indebtedness outstanding as of the date of such Credit Extension (based on the Compliance Certificate delivered for such period or, if such certificate has not yet been delivered, the Borrower's reasonable good faith determination of its pro forma Consolidated Liquidity and Leverage Ratio as of the last day of such period); provided that the confirmation described in clause (iii) above shall not be required in respect to a Credit Extension if the amount of such Credit Extension plus the aggregate amount of all other Credit Extensions made since the last day of the most recently ended four-fiscal quarter period for which financial statements and a Compliance Certificate have been delivered is less than $1,000,000 in the aggregate.

(d) The representations and warranties set forth in Article III hereof (other than Section 3.04) and in each other Loan Document shall be true and correct in all material respects on and as of the date of such ~~Borrowing~~Credit Extension with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case they shall be true and correct in all material respects on and as of such earlier date; provided that, in each case, such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof.

(e) At the time of and immediately after such ~~Borrowing~~Credit Extension, no ~~(i)~~Default or Event of Default~~, or (ii) event or condition that would constitute an Event of Default but for the requirement that notice be given or time elapse or both, has occurred and is continuing or would result from such issuance, extension or increase,~~ shall have occurred and be continuing or result from such Credit Extension.

(f) After making the Credit Extensions requested on such Credit Date, the Total Utilization of Revolving Credit Commitments shall not exceed the Revolving Credit Commitments then in effect.

(g) In the case of a Letter of Credit to be denominated in an Alternative Currency, there shall not have occurred any change in national or international financial, political or economic conditions or currency exchange rates or exchange controls which in the reasonable opinion of the applicable Issuing Bank would make it impracticable for such Credit Extension to be denominated in the relevant Alternative Currency.

(h) In the case of a Letter of Credit issued for a Subsidiary Applicant, the Agent shall have received an Adherence Agreement for such Subsidiary Applicant, as required by Section 2.23.

~~(f)~~

~~(g)~~

~~(h)~~

(i) ~~(f)~~Each such ~~Borrowing~~Credit Extension shall be deemed to constitute a representation and warranty by the Borrower on the date of such ~~Borrowing~~Credit Extension as to the matters specified in paragraphs (d) and (e) of this Section 4.03.

ARTICLE V

Affirmative Covenants

The Borrower covenants and agrees that, until the Revolving Credit Commitments have expired or been terminated ~~and~~, all of the ~~Revolving Loans~~Obligations have been repaid in full and all Letters of Credit have expired or been cancelled:

SECTION 5.01. Financial Statements and Other Information. The Borrower will furnish to the Agent (which will promptly furnish such information to the Lenders):

(a) within ninety (90) days after the end of each fiscal year of the Borrower, its audited consolidated balance sheet and related statements of earnings, shareholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by independent public accountants of recognized national standing and reasonably acceptable to the Agent (without a "going concern" explanatory note or any similar qualification or exception or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly, in all material respects, the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP;

(b) within forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, its consolidated balance sheet and related statements of earnings, shareholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly, in all material respects, the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a Compliance Certificate (i) certifying that no Event of Default has occurred and, if an Event of Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth computations in reasonable detail satisfactory to the Agent demonstrating the Leverage Ratio for the applicable period, and (iii) with respect to any delivery of financial statements under clause (a) or (b) above on or after the Restructuring Date, demonstrating compliance with the covenants set forth in Section 5.02 and Section 5.12;

(d) promptly following the Agent's request therefor, all documentation and other information that the Agent reasonably requests on its behalf or on behalf of any Lender in order to comply with its ongoing obligations under applicable

"know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act;

(e) written notice of the occurrence of an Event of Default, which notice shall be given within five (5) Business Days after the actual knowledge of an officer of the Borrower of such occurrence, specifying the nature and extent thereof and, if continuing, the action the Borrower is taking or proposes to take in respect thereof; ~~and~~

(f) concurrently with any delivery of financial statements under clause (a) above, and from time to time as reasonably requested by the Agent (but no more than once in any fiscal quarter if no Event of Default has occurred and is continuing), the Borrower will deliver to the Agent a true and complete list of all Project Indebtedness as of such date and a description in reasonable detail of the financing facilities and other arrangements establishing such Project Indebtedness (including the outstanding amount in respect thereof as of such date)~~.~~;

(g) if the Borrower is not in compliance with Section 5.02 as of the last day of any fiscal quarter and any Letters of Credit are then outstanding, concurrently with the delivery of the Compliance Certificate in respect of such fiscal quarter, the Borrower will deliver to the Agent a Letter of Credit Compliance Certificate; and

(h) promptly, notice to the Agent and copies of any documents which amend, restate, supplement, extend or terminate the Total Guaranteed LOC Facility Agreement or waive any of the provisions therein, which copies shall be delivered to the Agent within five (5) Business Days after each such document becomes effective.

~~(g)~~

~~(h)~~

Anything required to be delivered pursuant to clauses (a) or (b) above (to the extent any such financial statements or reports are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which the Borrower posts such reports, or provides a link thereto, on the Borrower's website on the Internet, or on the date on which such reports are filed with the SEC and become publicly available.

SECTION 5.02. Leverage Covenant. At all times on and after the Restructuring ~~Dateif any Revolving Loans are outstanding~~Date, the Borrower will not permit the Leverage Ratio as of the last day of any fiscal quarter of the Borrower~~, the Borrower will not permit the Leverage Ratio as of such day~~ to exceed 4.5 to 1.0.

SECTION 5.03. Existence; Conduct of Business. Each Loan Party and each Subsidiary Applicant will do or cause to be done all things reasonably

necessary to preserve and keep in full force and effect its legal existence and the rights, licenses, permits, privileges, authorizations, qualifications and accreditations material to the conduct of its business, in each case if the failure to do so, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect; provided, that the foregoing shall not prohibit any merger, consolidation or other transaction.

SECTION 5.04. Maintenance of Properties. Each Loan Party and each Subsidiary Applicant will (a) at all times maintain and preserve all material property necessary to the normal conduct of its business in good repair, working order and condition, ordinary wear and tear excepted and casualty or condemnation excepted and (b) make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto as necessary in accordance with prudent industry practice in order that the business carried on in connection therewith, if any, may be properly conducted at all times, except, in each case, where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05. Compliance with Laws. Each Loan Party and each Subsidiary Applicant will comply in all material respects with all Requirements of Law applicable to it or its property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.06. Use of Proceeds. The proceeds of the Revolving Loans will be used only for thegeneral corporate purposes specified in the introductory statement to this Agreement or, in the case of Incremental Revolving Loans, in the applicable Incremental Revolving Credit Assumption Agreementand for refinancing the Existing Credit Agreement. The Letters of Credit will be used only for general corporate purposes. No part of the proceeds of any Revolving LoanCredit Extension will be used, whether directly or indirectly, for any purpose that would entail a violation of Regulation T, U or X. No Loan Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, use the proceeds of the Loans or the Letters of Credit (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 5.07. Insurance. Each Loan Party will maintain, with financially sound and reputable insurance companies, insurance (including replacement value casualty insurance on the Collateral) in such amounts and against such risks as are customarily maintained by similarly situated companies engaged in the same or similar businesses operating in the same or similar locations (after giving effect to any self-insurance reasonable and customary for similarly situated companies). The Borrower will furnish to the Agent, upon request, information in reasonable detail as to the insurance so maintained.

SECTION 5.08. Sale and Lease Back Transactions; Sales of Accounts . (a) The Borrower will not, nor will it permit any of its Subsidiaries to, directly or indirectly, become or remain liable as lessee or as a guarantor or other surety with respect to any operating lease obligations or Capital Lease Obligations, of any property (whether real, personal or mixed), whether now owned or hereafter acquired, (i) that Borrower or any of its Subsidiaries has sold or transferred or is to sell or transfer to any other Person (other than the Borrower or any of its Subsidiaries) or (ii) that Borrower or any of its Subsidiaries intends to use for substantially the same purpose as any other property that has been or is to be sold or transferred by Borrower or any of its Subsidiaries to any Person (other than the Borrower or any of its Subsidiaries) in connection with any lease (a "Sale and Lease Back Transaction"); provided that Project Finance Subsidiaries may become and remain liable as lessee, guarantor or other surety with respect to any such obligations arising pursuant to Sale and Lease Back Transactions relating to commercial solar systems, if and to the extent that (x) the aggregate amount of receivables of the Borrower and its Subsidiaries after the Closing Date in connection with all Sale and Lease Back Transactions does not exceed $50,000,000 at the end of any fiscal quarter of the Borrower, and (y) such transactions are expressly made non-recourse to the Borrower and the Non-Project Finance Subsidiaries other than Permitted Project Recourse.

(b) Neither Borrower nor any Domestic Subsidiary shall sell, transfer, convey, assign or otherwise dispose of any of its Accounts (as defined in the UCC) which constitute Eligible Assets, other than the sale of Accounts in an aggregate amount not to exceed $50,000,000 at any one time outstanding; provided, that (A) no Event of Default is in existence at the time of such disposition or would result therefrom, (B) after giving effect to such disposition, the aggregate amount of the Accounts constituting Collateral exceeds the aggregate principal amount of outstanding Revolving Loans and Letters of Credit as of such date, and (C) the non-cash consideration received in connection therewith shall not exceed 10% of the total consideration received in connection with such disposition.

SECTION 5.09. Books and Records. The Borrower will maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Borrower.

SECTION 5.10. Inspection Rights. The Borrower will permit representatives and independent contractors of the Agent to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at the expense of the Borrower and at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Borrower; provided, that so long as no Event of Default has occurred and is continuing, the Borrower shall not be required to pay for more than one such visit by the Agent per fiscal year.

SECTION 5.11. Payment of Taxes, Etc. The Borrower will pay and discharge, before the same shall become delinquent, (i) all material taxes, assessments and governmental charges or levies imposed upon it or upon its property or assets or in respect of any of its income, business or franchises before any penalty accrues thereon and (ii) all lawful claims that, if unpaid, might by law become a Lien upon its property or assets or in respect of any of its income, business or franchises before any penalty accrues thereon; provided, however, that Borrower shall not be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

SECTION 5.12. Minimum Consolidated Liquidity. The Borrower shall have on the last day of each fiscal quarter ending after the Restructuring Date, Consolidated Liquidity of not less than $100,000,000 plus the applicable Unpaid Debentures Amount if either the 2014 Debentures ~~or~~, the 2015 Debentures or the 2018 Debentures, as applicable, have not been repaid in full as of the Unpaid Debentures Applicable Date.

SECTION 5.13. New Loan Parties. In the event that any Domestic Subsidiary owns or acquires any Eligible Assets with an aggregate value of more than $10,000,000 or becomes a Material Domestic Subsidiary on or after the Restructuring Date (any such event, an "Accession Event"), then the Borrower will as soon as practicable (but in any case no later than ten (10) Business Days after such Accession Event) notify the Agent of that fact and cause such Domestic Subsidiary to execute and deliver to the Agent a counterpart of the Subsidiary Guaranty and the Security Agreement and to take all such further actions and execute such further documents and instruments, including (i) delivery to the Agent of the results of a recent search, of all effective UCC financing statements and all judgment and tax lien filings which may have been made with respect to any property of such Domestic Subsidiary, together with copies of all such filings disclosed by such search and (ii) such other actions, documents, legal opinions and instruments as may be necessary or, in the reasonable opinion of the Agent, desirable in connection with the creation in favor of the Security Agent, for the benefit of the Lenders, of a valid and perfected First Priority Lien on all Eligible Assets of such Domestic Subsidiary.

SECTION 5.14. Further Assurances. Upon the reasonable request of the Agent at any time from and after the Restructuring Date, but subject to any applicable limitations set forth herein and in the other Loan Documents, the Loan Parties and the Subsidiary Applicants shall promptly execute and deliver or cause to be executed and delivered, at the cost and expense of the Loan Parties, such further instruments as may be necessary in the reasonable judgment of the Agent, to provide the Security Agent for the benefit of the Secured Parties a First Priority Lien in the Collateral and any and all documents (including, without limitation, the execution, amendment or supplementation of any financing statement and continuation statement or other statement) for filing under the provisions of the UCC and the rules and regulations thereunder, or any other

applicable law, and perform or cause to be performed such other ministerial acts which are reasonably necessary or advisable, from time to time, in order to grant, perfect and maintain in favor of the Security Agent for the benefit of the Secured Parties the security interest in the Collateral contemplated hereunder and under the other Loan Documents.

SECTION 5.15. Total Guaranteed LOC Facility Agreement. If, at any time, the Leverage Ratio exceeded 4.5 to 1.0 as of (i) the last day of the most recently ended four-fiscal quarter period for which financial statements and a Compliance Certificate have been delivered, or (ii) if applicable, the last day of the most recently ended four-fiscal quarter period for which financial statements and a Compliance Certificate are not yet required to be delivered under this Agreement (based on the Borrower's reasonable good faith determination of its Leverage Ratio as of the last day of such period), the Borrower shall not:

(a) amend the definition of "Commitment Amount" in the Total Guaranteed LOC Facility Agreement or otherwise agree to any amendment, supplement or modification of the Total Guaranteed LOC Facility Agreement in any respect adverse to the Issuing Banks or the Lenders without the prior written consent of the Agent, each Issuing Bank and the Required Lenders;

(b) request or permit the issuance, reissuance or extension of any letter of credit under the Total Guaranteed LOC Facility Agreement if, after giving effect to the issuance, reissuance or extension of such letter of credit, the Total Guaranteed LOC Available Amount would be less than the Total Guaranteed LOC Minimum Amount; or

(c) otherwise permit the Total Guaranteed LOC Available Amount to be less than the Total Guaranteed LOC Minimum Amount.

ARTICLE VI

Limitation on Liens

At all times from and after the Restructuring Date, the Borrower covenants and agrees that, until the Revolving Credit Commitments have expired or been terminated ~~and~~, all of the ~~Revolving Loans~~Obligations have been repaid in full and all Letters of Credit have expired or been cancelled, neither any Loan Party nor any Foreign Subsidiary shall create or suffer to exist any Lien on (i) any of the Collateral other than Permitted Collateral Encumbrances and Liens arising under the Loan Documents, or (ii) any of its other assets or properties other than Permitted Encumbrances.

ARTICLE VII

Events of Default

If any of the following events (each, an "Event of Default") shall occur and be continuing:

(a) the Borrower shall fail to pay any principal of any Revolving Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise;

(b) ~~the Borrower~~any Loan Party shall fail to pay any reimbursement obligation in respect of any Letter of Credit Disbursement made by the Issuing Bank pursuant to a Letter of Credit, any Loan Party shall fail to deposit Cash Collateral when and as the same shall become due and payable, or any Loan Party shall fail to pay any interest, fee or other amount (other than an amount referred to in clause (a) of this Article VII) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three Business Days;

(c) any representation or warranty made by any Loan Party or any Subsidiary Applicant (or any of ~~its~~their respective officers or other representatives) under or in connection with any Loan Document shall prove to have been incorrect in any material respect when made or deemed to have been made (unless, if the circumstances giving rise to such misrepresentation or breach of warranty are capable of being remedied, such Loan Party or such Subsidiary Applicant, as the case may be, remedies such circumstances within thirty (30) days after receipt of notice to such Loan Party or such Subsidiary Applicant from the Agent specifying such inaccuracy);

(d) any Loan Party, any Subsidiary Applicant or the Parent Guarantor shall fail to perform or observe any term, covenant, or agreement contained herein or in any other Loan Document on its part to be performed or observed (other than a failure to comply with any term or condition contained in Section 5.02, Section 5.12 or Article VI of this Agreement, which are covered in clauses (o) and (p) below) if such failure shall remain unremedied for thirty (30) days after written notice thereof shall have been given to such Person by the Agent or the Required Lenders, except where such default cannot be reasonably cured within 30 days but can be cured within 60 days, such Person has (i) during such 30-day period commenced and is diligently proceeding to cure the same and (ii) such default is cured within 60 days after the earlier of becoming aware of such failure and receipt of notice to such Person from the Agent or the Required Lenders specifying such failure;

(e) at any time prior to the Restructuring Date, the Parent Guarantor shall fail to pay (i) any indebtedness for borrowed money pursuant to a loan agreement, or (ii) any noncontingent payment obligation pursuant to a letter of credit agreement, in either case individually or in the aggregate, in excess of $200,000,000, when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such indebtedness or obligation, provided, however, that a written waiver of such failure by the Person to whom such indebtedness or obligation is owed shall be a written waiver of

the Event of Default resulting pursuant to this clause (e) from such failure; or the maturity of such indebtedness or obligation is accelerated, provided, however, that a written waiver of such failure by the Person to whom such indebtedness or obligation is owed shall be a written waiver of the Event of Default resulting pursuant to this clause (e) from such failure;

(f) (i) any Loan Party shall fail to make any payment when the same becomes due and payable with respect to any Material Indebtedness, and such failure shall continue beyond the applicable grace period, if any, specified in the agreement or instrument relating to such Material Indebtedness; ~~or~~ (ii) any Subsidiary Applicant shall fail to make any payment when the same becomes due and payable with respect to any Material Indebtedness (other than Project Indebtedness), and such failure shall continue beyond the applicable grace period, if any, specified in the agreement or instrument relating to such Material Indebtedness; or (iii) any other event shall occur or condition shall exist under any agreement or instrument relating to any Material Indebtedness (other than Project Indebtedness) and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Material Indebtedness; or (~~iii~~iv) any Material Indebtedness (other than Project Indebtedness) shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Material Indebtedness shall be required to be made, in each case prior to the stated maturity thereof;

(g) the entry by a court having jurisdiction in the premises of (i) a decree or order for relief in respect of any Loan Party, any Subsidiary Applicant, any Material Subsidiary or, prior to the Restructuring Date, the Parent Guarantor in an involuntary case or proceeding under any applicable United States federal, state, or foreign bankruptcy, insolvency, reorganization, or other similar law or (ii) a decree or order adjudging any Loan Party, any Subsidiary Applicant, any Material Subsidiary or, prior to the Restructuring Date, the Parent Guarantor bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of such Loan Party, such Subsidiary Applicant, such Material Subsidiary or, prior to the Restructuring Date, the Parent Guarantor under any applicable United States federal, state, or foreign law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of any Loan Party, any Subsidiary Applicant, any Material Subsidiary or, prior to the Restructuring Date, the Parent Guarantor, or ordering the winding up or liquidation of the affairs of any Loan Party, any Subsidiary Applicant, any Material Subsidiary or, prior to the Restructuring Date, the Parent Guarantor, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of sixty (60) consecutive days;

(h) the commencement by any Loan Party, any Subsidiary Applicant, any Material Subsidiary or, prior to the Restructuring Date, the Parent Guarantor of a voluntary case or proceeding under any applicable United States federal, state, or foreign bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by any Loan Party, any Subsidiary Applicant, any Material Subsidiary or, prior to the Restructuring Date, the Parent Guarantor to the entry of a decree or order for relief in respect of such Loan Party, such Subsidiary Applicant, such Material Subsidiary or, prior to the Restructuring Date, the Parent Guarantor in an involuntary case or proceeding under any applicable United States federal, state, or foreign bankruptcy, insolvency, reorganization, or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by any Loan Party, any Subsidiary Applicant, any Material Subsidiary or, prior to the Restructuring Date, the Parent

Guarantor of a petition or answer or consent seeking reorganization or relief under any applicable United States federal, state, or foreign law, or the consent by any Loan Party, any Subsidiary Applicant, any Material Subsidiary or, prior to the Restructuring Date, the Parent Guarantor to the filing of such petition or the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator, or similar official of any Loan Party, any Subsidiary Applicant, any Material Subsidiary or, prior to the Restructuring Date, the Parent Guarantor or of any substantial part of the property of, or the making by any Loan Party, any Subsidiary Applicant, any Material Subsidiary or, prior to the Restructuring Date, the Parent Guarantor of an assignment for the benefit of creditors, or the admission by any Loan Party, any Subsidiary Applicant, any Material Subsidiary or, prior to the Restructuring Date, the Parent Guarantor in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by any Loan Party, any Subsidiary Applicant, any Material Subsidiary or, prior to the Restructuring Date, the Parent Guarantor in furtherance of any such action;

(i) failure by the Borrower ~~or~~, any Material Subsidiary or any Subsidiary Applicant to pay final non-appealable judgments, which (i) remain unpaid, undischarged and unstayed for a period of more than sixty (60) days after such judgment becomes final, and (ii) would have a Material Adverse Effect;

(j) an ERISA Event occurs which results in the imposition or granting of security, or the incurring of a liability that individually and/or in the aggregate has or would have a Material Adverse Effect;

(k) (i) the Borrower shall repudiate, or assert the unenforceability of its guarantee obligations under Section 2.24, or Section 2.24 shall for any reason not be in full force and effect, or (ii) at any time prior to the Restructuring Date, the Parent Guarantor shall repudiate, or assert the unenforceability of the Parent Guaranty, or the Parent Guaranty shall for any reason not be in full force and effect;

(l) at any time on or after the Restructuring Date, any Loan Party shall repudiate, or assert the unenforceability of, any Collateral Document or assert the invalidity of any Lien, or any Collateral Document shall for any reason not be in full force and effect;

(m) at any time after the execution and delivery of any Collateral Document, the Security Agent shall not have or cease to have a valid and perfected First Priority Lien in a material portion of the Collateral purported to be covered by such Collateral Document (subject to any filing which may be necessary to perfect a Lien, which filing is pending), for any reason other than the failure of the Security Agent or any Lender to take any action within its control;

(n) at any time on and after the Restructuring Date, in connection with any ~~borrowing of Revolving Loans~~Credit Extension, the Borrower certifies under Section 4.03(c) based on reasonable good faith estimates that it was in compliance with the covenants in Sections 5.02 and 5.12 as of the last day of the then most recently ended four-fiscal quarter period for which financial statements and a Compliance Certificate are not yet required to be delivered to the Agent pursuant to the terms of this Agreement, and a subsequently delivered Compliance Certificate demonstrates that the Borrower was not in compliance with any such covenant as of the relevant date (it being understood and agreed that compliance with such covenants shall be determined for this purpose regardless of whether any Loans or Letters of Credit were outstanding as of the last day of such four-fiscal quarter period);

(o) at any time on and after the Restructuring Date, (i) if any Revolving Loans or Uncollateralized Letters of Credit are outstanding as of the last day of any fiscal quarter of the Borrower and the Borrower fails to perform the covenant contained in Section 5.02 and fails to cure such non-performance pursuant to and in accordance with the last two paragraphs of this Article VII (it being understood that an immediate Event of Default shall occur (and be deemed to have occurred as of the last day of the fiscal period being tested) upon the earliest to occur of the Borrower (A) failing to cure such non-performance in a timely manner pursuant to and in accordance with such paragraphs, (B) failing to elect to issue equity securities for cash prior to the last day of the Election Period (as defined in the penultimate paragraph of this Article VII) as required by the penultimate paragraph of this Article VII, or (C) failing to receive such cash within thirty (30) days after such election as required by the penultimate paragraph of this Article VII), or (ii) the Borrower fails to perform the covenant contained in Section 5.12 or the covenant contained in Article VI; ~~or~~provided that if any Uncollateralized Letters of Credit are outstanding as of the last day of a fiscal quarter, such Uncollateralized Letters of Credit shall not be deemed to be outstanding as of such day for purposes of this clause (o) if the Borrower has delivered to the Agent a Letter of Credit Compliance Certificate dated as of such day in accordance with Section 5.01(g); or

(p) at any time on and after the Restructuring Date, ~~if no Revolving Loans are outstanding as of the last day of any fiscal quarter of the Borrower and~~ (i) the Leverage Ratio exceeds 4.5 to 1.0 as of the last day of ~~three~~four consecutive fiscal quarters of the Borrower, or (ii) the Leverage Ratio exceeds 4.5 to 1.0 as of the last day of ~~two consecutive~~any fiscal ~~quarters~~quarter of the Borrower on more than ~~two~~eight occasions during the term of this Agreement;

then, and in every such event (other than an event described in clause (g) or (h) of this Article VII), and at any time thereafter during the continuance of such event, the Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take any of the following actions, at the same or different times: (i) terminate the Revolving Credit Commitments and the obligations of the Issuing Banks to issue any Letters of Credit and thereupon the Revolving Credit Commitments and the obligations of the Issuing Banks to issue Letters of Credit shall terminate immediately and (ii) declare the Revolving Loans then outstanding and unreimbursed drawings under Letters of Credit to be due and payable in whole (or in part, in which case any principal or other amount not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Revolving Loans and the unreimbursed drawings under Letters of Credit so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; provided that upon the occurrence of an event described in clause (g) or (h) of this Article VII, the Revolving Credit Commitments and the obligations of the Issuing Banks to issue any Letters of Credit shall automatically terminate and the principal of the Revolving Loans then outstanding and all unreimbursed drawings under Letters of Credit, together with accrued interest thereon, and all fees and other obligations of the Borrower accrued hereunder (including an amount in each applicable currency equal to the maximum amount that may at any time be drawn under each Letter of Credit then outstanding (regardless of whether any beneficiary under any such Letter of Credit shall have presented, or shall be entitled at such time to present, the drafts or other documents or certificates required to draw under such Letters of Credit), shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower, without further action of the Agent, any Issuing Bank or any Lender. Upon the occurrence and the continuance of an Event of Default, the Agent may, and at the request of the Required Lenders shall, exercise any rights and remedies provided to the Agent under the Loan Documents or at law or equity, including all remedies provided under the UCC.

With respect to each Letter of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to the preceding paragraph, the Borrower shall at such time deposit in a cash collateral account opened by the Agent an amount in the same currency as such Letter of Credit equal to the Minimum Collateral Amount. Amounts held in such cash collateral account shall be applied by the Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other obligations of the Borrower hereunder and under the other Loan Documents. After all such Letters of Credit shall have expired or been fully drawn upon, all reimbursement obligations with respect to such Letters of Credit shall have been satisfied and all other obligations of the Borrower hereunder and under the other Loan Documents shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrower (or such other Person as may be lawfully entitled thereto). Except as expressly provided above in this Article VII,

presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

In the event of any Event of Default specified in clause (f) ~~of the preceding paragraph of~~above in this Article VII, such Event of Default and all consequences thereof (excluding any resulting payment default) shall be annulled, waived and rescinded automatically and without any action by the Agent or the Lenders if, within ten (10) days after such Event of Default arose, (i) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged, (ii) the holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default or (iii) the default that is the basis for such Event of Default has been cured to the satisfaction of the holders thereof.

Notwithstanding anything to the contrary contained in this Article VII, in the event that the Borrower fails to comply with the requirements of Section 5.02 as at the end of any fiscal quarter of the Borrower, the Borrower may within twenty (20) days subsequent to the date of such breach (the "Election Period"), by written notice delivered to the Agent, elect to issue equity securities for cash, and upon the receipt within thirty (30) days after such election by the Borrower of such cash (the "Cure Amount"), Section 5.02 shall be recalculated giving effect to the following pro forma adjustments:

(i) EBITDA shall be increased, solely for the purpose of measuring the performance under Section 5.02 with respect to any period of four consecutive fiscal quarters that includes the fiscal quarter in respect of which the Cure Amount was received and not for any other purpose under this Agreement, by an amount equal to the Cure Amount; and

(ii) if, after giving effect to the foregoing recalculation, the Borrower shall then be in compliance with the requirements of Section 5.02, the Borrower shall be deemed to have satisfied the requirements thereof as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable breach or default that had occurred shall be deemed cured for the purposes of this Agreement; provided that, on the date of the Borrower's receipt of the Cure Amount, the Borrower shall have delivered to the Agent a certificate of a Financial Officer (A) certifying the Borrower's receipt of the Cure Amount and (B) setting forth a pro forma calculation of EBITDA which demonstrates compliance with Section 5.02 after giving effect to such cure;

The Borrower's right to exercise the foregoing cure shall be limited as follows: (i) such cure may be exercised only one time after the Closing Date, (ii) Indebtedness repaid with the proceeds of any Cure Amount shall not be deemed repaid for purposes of determining compliance with Section 5.02 on the last day of the fiscal quarter in respect of which the Cure Amount was received, and (iii) the Cure Amount shall not increase EBITDA by an amount greater than the minimum amount required to cause the Borrower to be in compliance with Section 5.02 as of the last day of the fiscal quarter in respect of which the Cure Amount was received.

ARTICLE VIII

The Agents

Each of the ~~Lenders~~Banks hereby irrevocably appoints each of the Agents as its agent and authorizes each of the Agents to take such actions on its behalf, including execution of the other Loan Documents, and to exercise such powers as are delegated to the Agents by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto.

The bank serving as either of the Agents hereunder shall have the same rights and powers in its capacity as a Lender or Issuing Bank as any other Lender or Issuing Bank and may exercise the same as though it were not the Agent or the Security Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Affiliate thereof as if it were not the Agent or the Security Agent hereunder.

The Agents shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) the Agents shall not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default has occurred and is continuing, (b) the Agents shall not have any duty to take any discretionary action or exercise any discretionary powers, except, subject to the last paragraph of this Article VIII, discretionary rights and powers expressly contemplated by the Loan Documents that the Agents are required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth in the Loan Documents, the Agents shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as the Agent or any of its Affiliates in any capacity. Neither of the Agents shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct. Neither of the Agents shall be deemed to have knowledge of any Event of Default unless and until written notice thereof is given to such Agent by the Borrower, an Issuing Bank or a Lender, and neither of the Agents shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to any of the Agents.

Each of the Agents shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each of the Agents also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. Each of the Agents may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Each of the Agents may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Agents. Each of the Agents and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of any of the Agents and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as either of the Agents.

Subject to the appointment and acceptance of a successor Agent or Security Agent as provided in this paragraph, any of the Agents may resign at any time by notifying the Issuing Banks, the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right, with the consent (not to be unreasonably withheld or delayed) of the Borrower, to appoint a successor, which shall be another Lender; provided that during the existence and continuation of an Event of Default, no consent of the Borrower shall be required. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Agent or Security Agent gives notice of its resignation, then the retiring Agent or Security Agent may, on behalf of the ~~Lenders~~Banks, appoint a successor Agent or Security Agent which shall be a commercial bank or an Affiliate of any such commercial bank reasonably acceptable to the Borrower. Upon the acceptance of its appointment as Agent or Security Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent or Security Agent, and the retiring Agent or Security Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Agent or Security Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After either of the Agents' resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Agent or Security Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Agent or Security Agent.

Each ~~Lender~~Bank acknowledges that it has, independently and without reliance upon any of the Agents or any other ~~Lender~~Bank and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each ~~Lender~~Bank also acknowledges that it will,

independently and without reliance upon any of the Agents or any other ~~Lender~~Bank and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or related agreement or any document furnished hereunder or thereunder.

Each ~~Lender~~Bank, by virtue of its acceptance of the benefits of the Collateral Documents) hereby further authorizes the Security Agent, on behalf of and for the benefit of the ~~Lenders~~Banks, to enter into each Collateral Document as secured party and each ~~Lender~~Bank agrees to be bound by the terms of each Collateral Document; provided that the Security Agent shall not (a) enter into or consent to any material amendment, modification, termination or waiver of any provision contained in any Collateral Document or (b) release any Collateral (except as otherwise expressly permitted or required pursuant to the terms of this Agreement or the applicable Collateral Document), in each case without the prior consent of the Required Lenders (or, if required pursuant to Section 9.02, all Lenders); provided further, however, that, without further written consent or authorization from the Issuing Banks or the Lenders, the Security Agent may execute any documents or instruments necessary to release any Lien encumbering any item of Collateral that is the subject of a sale or other disposition of assets permitted by this Agreement or to which the Required Lenders have otherwise consented. Anything contained in any of the Loan Documents to the contrary notwithstanding, the Borrower, the Security Agent and each ~~Lender~~Bank hereby agree that (A) no ~~Lender~~Bank shall have any right individually to realize upon any of the Collateral under any Collateral Document, it being understood and agreed that all powers, rights and remedies under the Collateral Documents may be exercised solely by the Security Agent for the benefit of ~~Lenders~~the Banks in accordance with the terms thereof and (B) in the event of a foreclosure by the Security Agent on any of the Collateral pursuant to a public or private sale, the Security Agent or any ~~Lender~~Bank may be the purchaser of any or all of such Collateral at any such sale and the Security Agent, as agent for and representative of the ~~Lenders~~Banks (but not any ~~Lender~~Bank or ~~Lenders~~Banks in its or their respective individual capacities unless the Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any Collateral payable by the Security Agent at such sale.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile, as follows:

(i) if to the Borrower, to SunPower Corporation at:

77 Rio Robles
San Jose, CA 95134
Attention: Charles Boynton, Chief Financial Officer
Facsimile : 408-240-5417
Email: Charles.Boynton@sunpowercorp.com

with a copy (which shall not constitute notice) to:

77 Rio Robles
San Jose, CA 95134
Attention: General Counsel
Facsimile: 408-240-5400

(ii) if to the Agent, to Crédit Agricole CIB at:

~~(ii)~~Crédit Agricole Corporate and Investment Bank
~~at:~~ 1301 Avenue of the Americas
New York, NY 10019
Attention: Agnes Castillo
~~Telecopy No.~~Facsimile: 917-849-5463 or 917-849-5456
Email: Agnes.Castillo@ca-cib.com

with a copy (which shall not constitute notice) to:

Crédit Agricole Corporate and Investment Bank
1301 Avenue of the Americas
New York, NY 10019
Attention: Marisol Ortiz
Tel: (212) 261-3710
Facsimile: (917) 849-5528

Email: Marisol.ortiz@ca-cib.com

(iii) if to Crédit Agricole CIB as Issuing Bank, at:

Crédit Agricole Corporate and Investment Bank
1301 Avenue of the Americas
New York, NY 10019
Attention: Marisol Ortiz
Tel: (212) 261-3710
Facsimile: (917) 849-5528
Email: Marisol.ortiz@ca-cib.com

(iv) ~~(iii)~~if to any other ~~Lender~~Bank, to it at its address or facsimile number set forth in its Administrative Questionnaire.

(b) All such notices and other communications (i) sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received or (ii) sent by facsimile shall be deemed to have been given when sent and when receipt has been confirmed by telephone, provided that if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient.

(c) Notices and other communications to the ~~Lenders~~Banks hereunder may be delivered or furnished by electronic communications (including e-mail and internet or intranet websites) pursuant to procedures approved by the Agent; provided that the foregoing shall not apply to notices pursuant to Article II or to compliance and no Event of Default certificates delivered pursuant to Section 5.01(e) unless otherwise agreed by the Agent and the applicable ~~Lender~~Bank. The Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. All such notices and other communications (i) sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if not given during the normal business hours of the recipient, such notice or communication shall be deemed to have been given at the opening of business on the next Business Day for the recipient, and (ii) posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (b)(i) of notification that such notice or communication is available and identifying the website address therefor.

(d) Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(e) Platform.

(i) The Borrower agrees that the Agent may with the Borrower's prior written consent as to any particular Communication (as defined below), but shall not be obligated to, make the Communications available to the other ~~Lenders~~Banks by posting the Communications on Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system (the "Platform").

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without

limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by the Agent Parties in connection with the Communications or the Platform. In no event shall the Agent or any of its related parties (collectively, the "Agent Parties") have any liability to the Borrower or any of its Affiliates, any ~~Lender~~Bank or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's or the Agent's transmission of communications through the Platform. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party or their Affiliates pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Agent or any ~~Lender~~Bank by means of electronic communications pursuant to this Section, including through the Platform.

SECTION 9.02. Waivers; Amendments. (a) No failure or delay by the Agent or any ~~Lender~~Bank in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agent and the ~~Lenders~~Banks hereunder and under any other Loan Document are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, to the extent permitted by law, the making of a ~~Loan~~Credit Extension shall not be construed as a waiver of any Event of Default, regardless of whether the Agent, the applicable Issuing Bank or any Lender may have had notice or knowledge of such Event of Default at the time.

(b) Neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except (i) in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders, provided that the Borrower and the Agent may enter into (A) an amendment to effect the provisions of Section 2.19(b) upon the effectiveness of any Incremental Revolving Credit Assumption Agreement and (B) a Change in Control Amendment under Section 2.20, or (ii) in the case of any other Loan Document (other than any such amendment to effectuate any modification thereto expressly contemplated by the terms of such other Loan Documents), pursuant to an agreement or agreements in writing entered into by the Agent and the Borrower, with the consent of the Required Lenders; provided that no such agreement shall (A) increase the Revolving Credit Commitment of any Lender without the written consent of such Lender; it being understood that the waiver of any Event of Default or mandatory prepayment

shall not constitute an increase of any Revolving Credit Commitment of any Lender, (B) reduce or forgive the principal amount of any Loan or reduce the rate of interest thereon, reduce any reimbursement obligation in respect of any Letter of Credit or reduce or forgive any interest or fees (including any prepayment fees) payable hereunder, without the written consent of each Lender directly affected thereby, (C) postpone any scheduled date of payment of the principal amount of any Loan, or any date for the payment of any interest, Fees or other Obligations payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Revolving Credit Commitment, without the written consent of each Lender directly affected thereby; provided that only the consent of the Required Lenders shall be necessary to amend the provisions of Section 2.11(c) providing for the default rate of interest, or to waive any obligations of the Borrower to pay interest at such default rate, (D) change Sections 2.08(b), 2.16(b) or 2.16(e) in a manner that would alter the manner in which payments are shared, without the written consent of each Lender, (E) change any of the provisions of this Section 9.02, the definition of "Required Lenders", the definition of "Required Class Lenders" or any other provision of any Loan Document specifying the number or percentage of Lenders required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender, (F) amend any of the provisions of Section 2.20 or the definition of "Change in Control" without the written consent of each Lender, (G) amend the Parent Guaranty in any material respect adverse to the Lenders or release the Parent Guarantor from any of its obligations under the Parent Guaranty prior to the Restructuring Date without the written consent of each Lender, (H) amend the Subsidiary Guaranty in any material respect adverse to the Lenders or release substantially all of the Subsidiary Guarantors from their respective obligations under the Subsidiary Guaranty without the written consent of each Lender, (I) amend Section 2.24 in any material respect adverse to the Lenders or release the Borrower from its obligations thereunder without the written consent of each Lender, (J) release all or substantially all of the Collateral without the written consent of each Lender, (~~I~~K) waive any of the Restructuring CPs (other than the Restructuring CP described in clause (a) in the definition of "Restructuring Date") without the written consent of each Lender, (L) extend the stated expiration date of any Letter of Credit beyond the Letter of Credit Expiration Date without the written consent of the Issuing Bank, or (~~J~~M) waive any conditions precedent set out in Article IV in respect of any ~~Borrowing~~Credit Extension without the written consent of each Lender and, in the case of any Letters of Credit, the applicable Issuing Bank; provided, further, that no such agreement shall amend, modify or otherwise affect the rights or duties ~~of~~under this Agreement or any other Loan Document of (1) the Agent ~~hereunder~~, without the prior written consent of the Agent, or (2) any Issuing Bank, without the prior written consent of such Issuing Bank. The Agent may without the consent of any Lender also amend the Commitment Schedule to reflect assignments entered into pursuant to Section 9.04. ~~Notwithstanding the foregoing, with the consent of the Borrower and the Required Lenders, this Agreement (including Sections 2.08(b), 2.16(b) and 2.16(e)) may be amended (x) to allow the Borrower to prepay Revolving Loans on a non-pro rata basis in connection with offers made to all the Lenders pursuant to procedures approved by the Agent and (y) to allow the Borrower to make loan modification offers to all the Lenders that, if accepted, would (A) allow the~~

~~maturity and scheduled amortization of the Revolving Loans of the accepting Lenders to be extended, (B) increase the Applicable Rates and/or Fees payable with respect to the Revolving Loans and Revolving Credit Commitments of the accepting Lenders and (C) treat the modified Revolving Loans and Revolving Credit Commitments of the accepting Lenders as a new class of Revolving Loans and Revolving Credit Commitments for all purposes under this Agreement.~~

~~(c)~~

(c) No amendment, modification, termination or waiver of any provision of the Loan Documents, or consent to any departure by any Loan Party or Subsidiary Applicant, therefrom, shall (i) amend, modify, terminate, waive or extend any obligation of Lenders relating to the purchase of participations in Letters of Credit as provided in Section 2.21(e) without the written consent of the Agent, each Issuing Bank and each Lender, (ii) amend Section 1.07(b) or the definition of "Alternative Currency" without the written consent of the Agent, each Issuing Bank and each Lender, (iii) amend the definition of "Minimum Collateral Amount" without the written consent of each Issuing Bank, the Agent and each Lender, or (iv) amend the definition of "Minimum Fronting Exposure Collateral Amount" without the written consent of the applicable Issuing Bank and the Agent.

(d) ~~(c)~~If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender directly affected thereby", no Event of Default has occurred and is continuing and the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a "Non-Consenting Lender"), then the Borrower may, with the prior written consent of the Agent and each Issuing Bank (such consents not to be unreasonably withheld or delayed), elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement by the Borrower, (i) another bank or other entity which is reasonably satisfactory to the Borrower ~~and~~, the Agent and each Issuing Bank shall agree, as of such date, to purchase for cash the Revolving Loans due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of clause (b) of Section 9.04, (ii) the replacement Lender shall grant its consent with respect to the applicable proposed amendment, waiver or consent and (iii) the Borrower shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrower hereunder to and including the date of termination, including, without limitation, payments due to such Non-Consenting Lender under Sections 2.13 and 2.15, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.14 had the Revolving Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender (the "Required Payment"). Each Lender agrees that if the Borrower exercises its option hereunder, it

shall promptly execute and deliver all agreements and documentation necessary to effectuate such assignment as set forth in Section 9.04. If any Non-Consenting Lender does not promptly execute and deliver all agreements and documentation necessary to effectuate such assignment as set forth in Section 9.04, then the Agent or the Borrower shall be entitled (but not obligated) to execute and deliver such agreement and documentation relating to such assignment on behalf of such Non-Consenting Lender and any such agreement and/or documentation so executed by the Agent or the Borrower shall be effective for purposes of documenting an assignment pursuant to Section 9.04 upon the Borrower making the Required Payment to such Non-Consenting Lender.

(e) ~~(d)~~The Agents and the Loan Parties may amend any Loan Document to correct administrative or manifest errors or omissions, or to effect administrative changes that are not adverse to any Issuing Bank or Lender; provided, however, that no such amendment shall become effective until the fifth Business Day after it has been posted to the Lenders, and then only if the Required Lenders have not objected in writing thereto within such five Business Day period.

(f) ~~(e)~~Anything in this Agreement to the contrary notwithstanding, but without limiting the provisions of Section 9.02(b), no waiver or modification of any provision of this Agreement that has the effect (either immediately or at some later time) of enabling the Borrower to satisfy a condition precedent to the making of a Loan of any Class shall be effective against the Lenders of such Class for purposes of the Revolving Credit Commitments of such Class unless the Required Class Lenders of such Class shall have concurred with such waiver or modification, and no waiver or modification of any provision of this Agreement or any other Loan Document that could reasonably be expected to adversely affect the Lenders of any Class in a manner that does not affect all Classes equally shall be effective against the Lenders of such Class unless the Required Class Lenders of such Class shall have concurred with such waiver or modification.

SECTION 9.03. Expenses; Indemnity; Damage Waiver. (a) The Borrower agrees to pay on demand all reasonable and documented costs and expenses of the Agent (including the fees and expenses of Linklaters LLP as special counsel to the Lenders to the extent previously agreed) in connection with the preparation, execution, delivery and administration of the Loan Documents.

(b) The Borrower shall indemnify the Agent, each Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, penalties, liabilities and related expenses (including reasonable and documented fees and expenses of counsel)~~, but excluding Taxes which shall be dealt with exclusively pursuant to Section 2.15 above~~, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of the Loan Documents or any agreement or instrument

contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any environmental liability related in any way to the Borrower or any of its Subsidiaries or to any property owned or operated by the Borrower or any of its Subsidiaries, or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto (and regardless of whether such matter is initiated by a third party or by the Borrower or any of its Affiliates); provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, penalties, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the negligence (if a Change in Control has not occurred), gross negligence (if a Change in Control has occurred) or willful misconduct of such Indemnitee. This Section 9.03(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Agent under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Agent such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, penalty, liability or related expense, as the case may be, was incurred by or asserted against the Agent in its capacity as such.

(d) To the extent permitted by applicable law, no party to this Agreement shall assert, and each hereby waives, any claim against any other party hereto or any Related Party thereof, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Revolving Loan or the use of the proceeds thereof; provided, however, that the foregoing provisions shall not relieve the Borrower of its indemnification obligations as provided herein to the extent any Indemnitee is found liable for any such damages.

SECTION 9.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section (any attempted assignment or transfer not complying with the terms of this Section shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more commercial banks, savings banks, financial institutions or other institutional investors all or a portion of its rights and obligations under this Agreement (including all or a portion of its Revolving Credit Commitment or the Revolving Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Borrower, provided that no consent of the Borrower shall be required (1) for an assignment to an Eligible Assignee or (2) if an Event of Default has occurred and is continuing, and provided further that no consent of the Borrower shall be required for an assignment during the primary syndication of the Revolving Loans to Persons identified by the Agent to the Borrower on or prior to the Closing Date and reasonably acceptable to the Borrower;~~and~~

(B) except in the case of an assignment to an Eligible Assignee, the Agent~~.~~; and

(C) each Issuing Bank.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to another Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Revolving Credit Commitment or Revolving Loans, the amount of the Revolving Credit Commitment or the principal amount of Revolving Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Agent and determined on an aggregate basis in the event of concurrent assignments to Related Funds (as defined below)) shall be in a minimum amount of at least $5,000,000 unless each of the Borrower and the Agent otherwise consent;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Agent an Assignment and Assumption via an electronic settlement system acceptable to the Agent

(or, if previously agreed with the Agent, manually)~~; and~~ together with payment by the assignee to the Agent of a registration and processing fee of $3,500 (except that no such registration and processing fee shall be payable (y) in connection with an assignment by or to Credit Agricole CIB or any Affiliate thereof or (z) in the case of an assignee which already is a Lender or is an Affiliate or Approved Fund of a Lender); and

(D) the assignee, if it shall not be a Lender, shall deliver on or prior to the effective date of such assignment, to the Agent (1) an Administrative Questionnaire and (2) if applicable, an appropriate ~~Internal Revenue Service~~IRS form (such as IRS Form W-8BEN, IRS Form W-8BEN-E or IRS Form W-8ECI or any successor form adopted by the relevant United States taxing authority) ~~as required by applicable law supporting such assignee's position that no withholding by any Borrower or the Agent for United States income tax payable by such assignee in respect of amounts received by it hereunder is required~~.

The term "Related Funds" shall mean with respect to any Lender that is an Approved Fund, any other Approved Fund that is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.13, 2.14, 2.15 (subject to the requirements of Section 2.15) and 9.03 with respect to facts and circumstances occurring on or prior to the effective date of such assignment). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and

addresses of the Lenders, and the Revolving Credit Commitment of, or principal amount of, and any interest on, the Revolving Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Agent and the Lenders ~~may~~shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire and tax certifications required by Section 9.04(b)(ii)(D)(2) (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.04(a), 2.16(c), 2.21(e) or 9.03(c), the Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this Section 9.04.

(vi) By executing and delivering an Assignment and Assumption, the assigning Lender thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows: (i) such assigning Lender warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim and that its Revolving Credit Commitment, and the outstanding balances of its Revolving Loans and participations in outstanding Letters of Credit and unreimbursed drawings under Letters of Credit, in each case without giving effect to assignments thereof which have not become effective, are as set forth in such Assignment and Assumption, (ii) except as set forth in (i) above, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto, or the financial condition of the Borrower or any Subsidiary or the performance or observance by the Borrower or any Subsidiary of any of its obligations under this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto; (iii) such assignee represents and warrants that it is an Eligible Assignee, legally authorized to enter into such Assignment and Assumption;

(iv) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements referred to in Section 3.04 or delivered pursuant to Section 5.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Assumption; (v) such assignee will independently and without reliance upon the Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (vi) such assignee appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Agent, by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(c) (i) Any Lender may sell participations to one or more commercial banks, savings banks or other financial institutions or, with the consent of the Borrower (so long as no Event of Default has occurred and is continuing), other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Revolving Credit Commitment or the Revolving Loans or other Obligations owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (C) the Borrower, the Agent, each Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, (D) no such Participant shall be a "creditor" as defined in Regulation T or a "foreign branch of a broker-dealer" within the meaning of Regulation X, and (E) neither the Borrower nor any of its Affiliates shall be a Participant. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13, 2.14 and 2.15 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.16(c) as though it were a Lender. Each Lender that sells a participation, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a register for the recordation of the names and addresses of each Participant and the principal amounts of, and stated interest on, each ~~participant~~Participant's interest in the Revolving Loans or other obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity

of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive, absent manifest error, and such Lender ~~may~~shall treat each Person whose name is recorded in the Participant Register pursuant to the terms hereof as the owner of such participation for all purposes of this Agreement, notwithstanding notice to the contrary.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.13 or Section 2.15 ~~than the applicable~~, with respect to any participation, than its participating Lender would have been entitled to receive ~~with respect to the participation sold to such Participant, unless the sale of the~~, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation ~~to such~~. To the extent permitted by law, each Participant ~~is made with the Borrower's prior written consent. A Participant~~also shall ~~not~~ be entitled to the benefits of Section ~~2.15 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.15(f)~~9.8 as though it were a Lender.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank or other governmental authority, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(e) If the consent of the Borrower to an assignment or to an Eligible Assignee is required hereunder, the Borrower shall be deemed to have given its consent fifteen (15) Business Days after the date notice thereof (which notice shall specify such fifteen-day notice period described herein) has been delivered by the assigning Lender (through the Agent) unless such consent is expressly refused by the Borrower prior to such fifteenth Business Day.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Borrower in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and shall continue in full force and effect as long as any Letters of Credit remain outstanding, the principal of or any accrued interest on any Revolving Loan or any fee or any other amount payable under this Agreement (including any unreimbursed

drawings under Letters of Credit) is outstanding and unpaid and so long as the Revolving Credit Commitments and Issuing Bank Commitments have not expired or terminated. The provisions of Sections 2.13, 2.14, 2.15 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Revolving Loans, the cancellation or expiration of the Letters of Credit and the reimbursement of any amounts drawn thereunder, and the termination hereof, the expiration or termination of the Revolving Credit Commitments or the termination of this Agreement or any provision hereof.

SECTION 9.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and the Fee Letters and any separate letter agreements with respect to fees payable to the Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.02, this Agreement shall become effective when it shall have been executed by the Agent and when the Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in 'PDF' format by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07. Severability. To the extent permitted by law, any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time after the Restructuring Date, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by it to or for the credit or the account of the Borrower. The applicable Lender shall notify the Borrower and the Agent of such set-off or application, provided that any failure to give or any delay in giving such notice shall not affect the validity of any such set-off or application under this Section. The rights of each Lender and its Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process; Waiver of Jury Trial. (a) THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (OTHER THAN AS EXPRESSLY SET FORTH IN ANY OTHER LOAN DOCUMENT) SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK), WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THAT WOULD REQUIRE APPLICATION OF ANOTHER LAW.

(b) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York state court or federal court of the United States of America sitting in the Borough of Manhattan in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any of the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York state court or, to the extent permitted by law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any of the other Loan Documents to which it is a party in any New York state or federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court sitting in the Borough of Manhattan in New York City.

(d) To the extent permitted by law, each party to this Agreement hereby irrevocably waives personal service of any and all process upon it and agrees that all such service of process may be made by express or overnight mail or courier, postage prepaid, directed to it at its address for notices as provided for in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

(e) EACH OF THE PARTIES TO THIS AGREEMENT HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS LOAN TRANSACTION OR THE LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. The scope of this waiver is intended to be all-encompassing of

any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including contract claims, tort claims, breach of duty claims and all other common law and statutory claims. Each party hereto acknowledges that this waiver is a material inducement to enter into a business relationship, that each has already relied on this waiver in entering into this Agreement, and that each will continue to rely on this waiver in their related future dealings. Each party hereto further warrants and represents that it has reviewed this waiver with its legal counsel and that it knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 9.09(e) AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS MADE HEREUNDER. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

SECTION 9.10. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.11. Confidentiality. The Agent and each Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, trustees, officers, employees and agents, including accountants, insurance providers, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory, governmental or administrative authority or any self-regulatory body, (c) to the extent required by law or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (ii) any pledgee referred to in Section 9.04(d) or (iii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Agent or any Lender on a nonconfidential basis from a source other than the Borrower. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its businesses, or the Transactions other than any such information that is available to the Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower. Any

Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.12. Several Obligations; Nonreliance; Violation of Law. The respective obligations of the Lenders hereunder are several and not joint and the failure of any Lender to make any Revolving Loan or perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. Each Lender hereby represents that (a) it is not relying on or looking to any Margin Stock for the repayment of the Borrowings provided for herein and (b) it is not and will not become a "creditor" as defined in Regulation T or a "foreign branch of a broker-dealer" within the meaning of Regulation X. Anything contained in this Agreement to the contrary notwithstanding, no Lender shall be obligated to extend credit to the Borrower in violation of any Requirement of Law.

SECTION 9.13. USA PATRIOT Act. Each Lender that is subject to the requirements of the USA PATRIOT Act hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies the Loan Parties, the Subsidiary Applicants and the Parent Guarantor and, which information includes the name and address of the Loan Parties, the Subsidiary Applicants and the Parent Guarantor and other information that will allow such Lender to identify the Loan Parties, the Subsidiary Applicants and the Parent Guarantor in accordance with the USA ~~Patriot~~PATRIOT Act.

SECTION 9.14. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any ~~Revolving Loan~~of the Obligations, together with all fees, charges and other amounts which are treated as interest on such ~~Revolving Loan~~Obligations under applicable law (collectively, the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such ~~Revolving Loan~~Obligations or participation in accordance with applicable law, the rate of interest payable in respect of such ~~Revolving Loan~~Obligations or participation hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such ~~Revolving Loan~~Obligations or participation but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other ~~Revolving Loans~~Obligations or participations or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.15. Additional Indebtedness. (a) At any time prior to the expiration or termination of the Revolving Credit Commitments, but only on one occasion after the Closing Date, the Borrower may notify the Agent in writing that

the Borrower or any of its Subsidiaries intends to incur Indebtedness for the purpose of expanding its manufacturing capacity, through the acquisition or construction of new manufacturing facilities or otherwise, and request that the Agent (in consultation with the Lenders) and the Borrower enter into negotiations in good faith for a period not to exceed 30 days from the date on which the Agent receives such notice with a view to agreeing on mutually acceptable revisions or adjustments to Section 5.02 and the related definitions hereunder to take into account such additional Indebtedness on a basis consistent with terms and conditions and market practice for similarly situated borrowers (the "Revised Terms"). If, before the expiration of such 30-day period, the Agent and the Borrower shall agree on Revised Terms to be proposed to the Lenders for their consideration, then the Agent shall promptly so notify the Lenders and propose an amendment to this Agreement to reflect such Revised Terms (an "Amendment Request"). If the Agent and the Borrower do not so agree within such timeframe, then the Agent shall no further obligations under this Section 9.15.

(b) Each Lender shall be entitled to agree or decline to accept any Amendment Request in its sole discretion. If, before the expiration of 15 days after the Lenders receive the Amendment Request, the Required Lenders shall agree to accept the Revised Terms set out in the Amendment Request, then (i) the Agent shall so notify the Borrower and the Lenders, and (ii) the Agent, each applicable Lender and the Borrower shall promptly enter into an amendment to this Agreement and such other documentation as the Agent shall reasonably specify to evidence the Revised Terms, in each case in form and substance satisfactory to the Borrower, the Agent and each Lender party thereto. Upon the effectiveness of any such amendment, this Agreement shall be amended to the extent (but only to the extent) necessary to reflect the Revised Terms described in the Amendment Request.

(c) If the Required Lenders do not agree to accept the Revised Terms before the end of such 15-day period, then the Agent shall so notify the Borrower and the Lenders and neither the Agent nor any Lender shall have any further obligations under this Section 9.15.

(d) Nothing in this Section 9.15 shall limit or otherwise modify (i) the obligation of the Borrower to satisfy all of its Obligations on the Revolving Credit Maturity Date, (ii) the voting requirements of Section 9.02, or (iii) the rights and remedies of the Agent and the Lenders under Article VII.

SECTION 9.16. Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

~~(a)~~

~~(b)~~

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

~~(ii)~~

~~(iii)~~

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

SUNPOWER CORPORATION

by

Name:
Title:

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK,
individually, as Agent and as Security Agent

by

Name:
Title:

by

Name:
Title:

[SIGNATURES OF OTHER LENDERS]

SCHEDULE 1

AMENDED COMMITMENT SCHEDULE

Bank	Revolving Credit Commitment	Issuing Bank Commitment
Crédit Agricole Corporate and Investment Bank	$ ~~67,500,000.00~~81,000,000.00	$200,000,000.00
~~Citicorp North America, Inc.~~		~~$ 10,000,000.00~~
Deutsche Bank AG New York Branch	$ ~~57,500,000.00~~69,000,000.00	---
HSBC Bank USA, National Association	$ ~~47,500,000.00~~57,000,000.00	$ 50,000,000.00
~~Royal~~Mizuho Bank~~ of Scotland~~, ~~plc~~Ltd.	$ ~~47,500,000.00~~57,000,000.00	$ 38,000,000.00
~~Sovereign~~Santander Bank, N.A.	$ ~~20,000,000.00~~24,000,000.00	---
Citicorp North America, Inc.	$ 12,000,000.00	$ 8,000,000.00
Total	**$~~250,000,000.00~~300,000,000.00**	---

Exhibit B-1

Amended and Restated Form of Compliance Certificate

See attached.

EXHIBIT C

AMENDED AND RESTATED FORM OF COMPLIANCE CERTIFICATE

THE UNDERSIGNED FINANCIAL OFFICER (TO HIS OR HER KNOWLEDGE AND IN HIS OR HER CAPACITY AS A FINANCIAL OFFICER OF SUNPOWER CORPORATION, A DELAWARE CORPORATION, AND NOT INDIVIDUALLY) HEREBY CERTIFIES ON BEHALF OF SUNPOWER CORPORATION AS OF THE DATE HEREOF THAT:

1. I am the duly elected [Executive Vice President and Chief Financial Officer] of SunPower Corporation, a Delaware corporation (the "Borrower");

2. This compliance certificate (this "Certificate") is delivered pursuant to [Section 4.03(c)] [Section 5.01(c)] of that certain Revolving Credit Agreement dated as of July 3, 2013 (as amended by the First Amendment dated as of August 26, 2014 and further amended by the Second Amendment dated as of February 17, 2016 and as further amended, supplemented, or otherwise modified from time to time, the "Credit Agreement"), by and among the Borrower, the financial institutions listed as Lenders therein and Crédit Agricole Corporate and Investment Bank, as Agent. All capitalized terms used and not otherwise defined herein have the meanings given to them in the Credit Agreement.

For Compliance Certificates given for each Credit Extension[1]:

3. Set forth on a separate attachment to this Certificate are calculations demonstrating as of _____, 20__, compliance with Sections 5.02 and 5.12 and confirming that the Leverage Ratio did not exceed 4.5 to 1.0 in each case as of (i) the last day of the most recently ended four-fiscal quarter period for which financial statements and a Compliance Certificate have been delivered, (ii) if applicable, the last day of the most recently ended four-fiscal quarter period for which financial statements and a Compliance Certificate are not yet required to be delivered under this Agreement (based on the Borrower's reasonable good faith determination of its Consolidated Liquidity and Leverage Ratio as of the last day of such period), and (iii) the last day of the most recently ended four-fiscal quarter period on a pro forma basis after giving effect to such Credit Extension and any other Financial Indebtedness outstanding as of the date of such Credit Extension (based on the Compliance Certificate delivered for such period or, if such certificate has not yet been delivered, the Borrower's reasonable good faith determination of its pro forma Consolidated Liquidity and Leverage Ratio as of the last day of such period). [2]

4. The Agent is authorized to post this Certificate for the Lenders on a Platform.

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1 To be used for delivering a Compliance Certificate pursuant to Section 4.03(c) of the Credit Agreement.

2 Clause (iii) is not required if the amount of the applicable Credit Extension plus the aggregate amount of all other Credit Extensions made since the last day of the most recently ended four-fiscal quarter period for which financial statements and a Compliance Certificate have been delivered is less than $1,000,000 in the aggregate.

For Compliance Certificates delivered with the Borrower's financial statements[3]:

3. I have no knowledge of the existence of any Event of Default at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate [, except as set forth below].

[_____]

[Set forth on a separate attachment to this Certificate is a description of what action the Borrower has taken, is taking, or proposes to take with respect to each such Event of Default specified in the previous paragraph.]

4. Set forth on a separate attachment to this Certificate are calculations demonstrating (i) the Leverage Ratio for the accounting period covered by the attached financial statements, and (ii) with respect to any delivery of financial statements under Sections 5.01(a) or (b), demonstrating compliance with the requirements set forth in Sections 5.02 and 5.12 of the Credit Agreement.

5. Set forth on a separate attachment to this Certificate is a true and complete list of all Project Indebtedness as of ____, 20__ and a description in reasonable detail of the financing facilities and other arrangements establishing such Project Indebtedness (including the outstanding amount in respect thereof as of such date).[4]

6. The Agent is authorized to post this Certificate for the Lenders on a Platform.

[SIGNATURE PAGE FOLLOWS]

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3 To be used for delivering a Compliance Certificate pursuant to Section 5.01(c) of the Credit Agreement.

4 List of Project Indebtedness to be provided only in connection with the annual financial reports required to be delivered pursuant to Section 5.01(a) of the Credit Agreement.

IN WITNESS WHEREOF, this Certificate has been executed as of .

By: _____

Name:
Title:

Exhibit B-2

Form of Issuance Notice

See attached.

EXHIBIT L

FORM OF ISSUANCE NOTICE[1]

Reference is made to the Revolving Credit Agreement, dated as of July 3, 2013 (as amended pursuant to that certain First Amendment to Revolving Credit Agreement dated as of August 24, 2014 by and among the Loan Parties, the Agent and the Lenders, as further amended pursuant to that certain Second Amendment to Revolving Credit Agreement dated as of February 17, 2016 by and among the Loan Parties, the Agent and the Lenders, and as it may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"; terms not defined herein shall have the meanings as therein defined), by and among **SUNPOWER CORPORATION** (the "**Borrower**"), the Lenders and Issuing Banks party thereto from time to time, and **CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK**, as Agent.

Pursuant to Section 2.21 of the Credit Agreement, the Borrower desires a Letter of Credit to be issued in accordance with the terms and conditions of the Credit Agreement on _____[2] (the "**Credit Date**") in an aggregate face amount of _____.

Please check the box below if such Letter of Credit is a Performance Letter of Credit:

[_] Performance Letter of Credit

Attached hereto for such Letter of Credit are the following:

(a) the name and address of the applicant;

(b) the requested Issuing Bank of such Letter of Credit;

(c) the stated amount of such Letter of Credit (including the applicable currency);

(d) the name and address of the beneficiary;

(e) the expiration date;[3] and

(f) either (i) the verbatim text of such proposed Letter of Credit, or (ii) a description of the proposed terms and conditions of such Letter of Credit, including a precise description of any documents to be presented by the beneficiary which, if presented by the beneficiary prior to

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1 The Borrower shall deliver the Issuing Notice to the Agent (who shall provide a copy to the Lenders) and the applicable Issuing Bank.

2 Unless the Issuing Bank otherwise agrees, this notice, to be effective, must be received by the relevant Issuing Bank not later than 12:00 p.m. (New York time) on the third Business Day prior to the Credit Date.

3 The expiration date for the requested Letter of Credit must be within two years from the date of issuance of such Letter of Credit, and in no event shall the Letter of Credit have an expiration date later than the Letter of Credit Expiration Date specified in the Credit Agreement.

the expiration date of such Letter of Credit, would require the Issuing Bank to make payment under such Letter of Credit.[4]

The Borrower hereby certifies that:

(i) the Letter of Credit requested on the Credit Date is to be used for general corporate purposes;

(ii) after issuing such Letter of Credit, the Total Utilization of Revolving Credit Commitments shall not exceed the Revolving Credit Commitments then in effect;

(ii) after issuing such Letter of Credit, the Letter of Credit Usage shall not exceed the Letter of Credit Sublimit then in effect;

(iii) as of the Credit Date, the representations and warranties set forth in Article III of the Credit Agreement (other than Section 3.04) and in each of the other Loan Documents are true and correct in all material respects on and as of such Credit Date to the same extent as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties are true and correct in all material respects on and as of such earlier date; provided that, in each case, such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof;

(iv) as of such Credit Date, no event has occurred and is continuing or would result from the consummation of the Credit Extension contemplated hereby that would constitute an Event of Default or a Default; and

(v) the Borrower has delivered to the Agent the certificates required by Sections 4.03(b) and 4.03(c) to satisfy the conditions precedent to the issuance of such Letter of Credit and has paid to Agent the fees payable on or before the Credit Date referred to in Section 2.10 of the Credit Agreement and all expenses payable pursuant to Section 9.03 of the Credit Agreement which have accrued to the Credit Date and been invoiced to the Borrower.

Date: _____

SUNPOWER CORPORATION

By: _____
Name:
Title:

4 If requested by the Issuing Bank, the Borrower also shall submit a letter of credit application (appropriately completed and signed by an authorized officer of the Borrower and, if applicable, the other Loan Party or Subsidiary Applicant requesting the issuance of the Letter of Credit, including agreed-upon draft language for such Letter of Credit reasonably acceptable to the applicable Issuing Bank) on such Issuing Bank's standard form.

Exhibit B-3

Form of Letter of Credit Compliance Certificate

See attached.

EXHIBIT M

FORM OF LETTER OF CREDIT COMPLIANCE CERTIFICATE

THE UNDERSIGNED FINANCIAL OFFICER (TO HIS OR HER KNOWLEDGE AND IN HIS OR HER CAPACITY AS A FINANCIAL OFFICER OF SUNPOWER CORPORATION, A DELAWARE CORPORATION, AND NOT INDIVIDUALLY) HEREBY CERTIFIES ON BEHALF OF SUNPOWER CORPORATION AS OF THE DATE HEREOF THAT:

1. I am the duly elected [Executive Vice President and Chief Financial Officer] of SunPower Corporation, a Delaware corporation (the "Borrower");

2. This Letter of Credit Compliance Certificate (this "Certificate") is delivered pursuant to Section 5.01(g) of that certain Revolving Credit Agreement, dated as of July 3, 2013 (as amended by the First Amendment dated as of August 26, 2014 and further amended by the Second Amendment dated as of February 17, 2016 and as further amended, supplemented, or otherwise modified from time to time, the "Credit Agreement"), by and among the Borrower, the financial institutions listed as Lenders therein and Crédit Agricole Corporate and Investment Bank, as Agent. All capitalized terms used and not otherwise defined herein have the meanings given to them in the Credit Agreement.

3. The aggregate unused and available "Commitment Amount" under and as defined in the Total Guaranteed LOC Facility Agreement (i.e., the Total Guaranteed LOC Available

Amount) is $.

4. The scheduled maturity date of the Total Guaranteed LOC Facility Agreement is _____.and, if different, the "Commitment Amount" is scheduled to mature on _____.

5. The names of the Issuing Bank, the applicant and the beneficiary, the face amount, the expiration date and the amount and type of Cash Collateral, if any, in respect of each outstanding Letter of Credit is listed on the attached schedule.

6. Except as indicated on the attached schedule, each outstanding Letter of Credit is (1) of a type permitted to be issued under the Total Guaranteed LOC Facility Agreement and (2) eligible to be backstopped by a letter of credit issued thereunder.

7. The Letter of Credit Usage is $_____.

8. The Uncollateralized Letter of Credit Usage is $_____.

9. The Total Guaranteed LOC Minimum Amount is $_____.

10. The Total Guaranteed LOC Available Amount exceeds the Total Guaranteed LOC Minimum Amount.

LETTER OF CREDIT COMPLIANCE CERTIFICATE
(SunPower Corporation)

11. The Agent is authorized to post this Certificate for the Lenders on a Platform.

IN WITNESS WHEREOF, this Certificate has been executed as of _____.

By: _____

Name:
Title:

[attach schedule, if applicable]

Exhibit B-4

Form of Adherence Agreement

See attached.

EXHIBIT N

FORM OF ADHERENCE AGREEMENT

ADHERENCE AGREEMENT (this "Agreement") dated as of _____, 20___ among , which is a new Subsidiary Applicant (the "New Subsidiary Applicant"), SunPower Corporation, a Delaware corporation, the direct or indirect parent of the New Subsidiary Applicant (the "Borrower"), Crédit Agricole Corporate and Investment Bank, as Agent, and the other Banks party to the Credit Agreement referred to below.

Reference is made to the Revolving Credit Agreement dated as of July 3, 2013 (as amended by the First Amendment dated as of August 26, 2014, further amended by the Second Amendment dated as of February 17, 2016 and as further amended, supplemented, or otherwise modified from time to time, the "Credit Agreement") by and among the Borrower, the financial institutions parties thereto from time to time as Banks, and Crédit Agricole Corporate and Investment Bank, as Agent. Unless the context requires otherwise, terms used herein as defined terms and not otherwise defined herein shall have the meanings given thereto in the Credit Agreement.

Section 2.23 of the Credit Agreement provides that, subject to the satisfaction of certain conditions, the undersigned New Subsidiary Applicant may become a party to, and a "Subsidiary Applicant" under, the Credit Agreement by entering into this Agreement.

Accordingly, and for other good and lawful consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. In accordance with Section 2.23 of the Credit Agreement, the New Subsidiary Applicant by its signature below becomes a "Subsidiary Applicant" under the Credit Agreement with the same force and effect as if originally named therein as a Subsidiary Applicant. The New Subsidiary Applicant hereby (a) agrees to all of the terms and provisions of the Credit Agreement applicable to it as a Subsidiary Applicant thereunder and (b) represents and warrants that it satisfies all of the requirements under the Credit Agreement for becoming a Subsidiary Applicant and that the representations and warranties relating to it contained in the Credit Agreement are true and correct in all material respects on and as of the date hereof (except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date). The Credit Agreement is hereby incorporated herein by reference.

2. Hereinafter, each reference to the "Subsidiary Applicants" in the Credit Agreement shall be deemed to include the New Subsidiary Applicant until such time as the Borrower executes and delivers to the Agent a notice of termination in substantially the form of Annex A hereto or such other form acceptable to the Agent (a "Notice of Termination"), whereupon the New Subsidiary Applicant shall cease to be a Subsidiary Applicant. Notwithstanding the preceding sentence, no such Notice of Termination will become effective at a time when any Obligations of the New Subsidiary Applicant shall be outstanding thereunder or any Letter of Credit issued at the request of the New Subsidiary Applicant shall be outstanding (which shall not have been Cash Collateralized); provided that such Notice of Termination shall

be effective to terminate the New Subsidiary Applicant's right to request Letters of Credit under the Credit Agreement.

3. The New Subsidiary Applicant hereby agrees to be liable under the Credit Agreement with respect to each Letter of Credit issued at its request or at the request of the Borrower to support the obligations of the New Subsidiary Applicant, and agrees that each such Letter of Credit shall be treated for all purposes as a Letter of Credit issued pursuant to the Credit Agreement.

4. Each of the New Subsidiary Applicant and the Borrower represents and warrants to the Agent, each Issuing Bank and the other Banks that (a) the New Subsidiary Applicant is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to own its property and assets and to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, (b) this Agreement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, (b) no Default or Event of Default has occurred and is continuing immediately after giving effect to the execution and delivery of this Agreement.

5. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which, when taken together, shall constitute but one agreement. This Agreement shall become effective when the Agent shall have received counterparts of this Agreement that bear the signatures of the New Subsidiary Applicant, the Borrower, the Agent, each Issuing Bank and the other Banks. Delivery of an executed counterpart of a signature page of this Agreement by electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

6. Each of the New Subsidiary Applicant and the Borrower agrees to furnish to the Agent such information as the Agent, any Issuing Bank or any other Bank shall reasonably request in connection with the New Subsidiary Applicant or the Borrower.

7. Except as expressly supplemented hereby, the Credit Agreement shall remain in full force and effect.

8. ***THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.***

9. If any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in any other Loan Document shall not in any way be affected or impaired.

10. All communications and notices hereunder shall be in writing and given as provided in Section 9.01 of the Credit Agreement. All communications and notices hereunder to

the New Subsidiary Applicant shall be given to it at the address set forth under its signature hereto.

11. Neither this Agreement nor any provision hereof may be waived, amended, or modified except as provided in Section 9.02 of the Credit Agreement.

12. The New Subsidiary Applicant agrees to reimburse the Agent and the Issuing Banks for their reasonable expenses incurred in connection with this Agreement, including the reasonable fees, disbursements and other charges of counsel.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Adherence Agreement to be duly executed and delivered as of the day and year first above written.

Address: [•]

[NEW SUBSIDIARY APPLICANT]

By: _____
Name:
Title:

SUNPOWER CORPORATION

By: _____
Name:
Title:

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK,
as Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

[•],
as Issuing Bank

By: _____
Name:
Title:

By: _____
Name:
Title:

[EACH OF THE OTHER BANKS]

By: _____

Name:
Title:

EXECUTION VERSION

THIRD AMENDMENT TO REVOLVING CREDIT AGREEMENT

This Third Amendment to Revolving Credit Agreement (this "Amendment") is entered into as of March 18, 2016 by and among SunPower Corporation, a Delaware corporation (the "Borrower"), SunPower Corporation, Systems, a Delaware corporation, SunPower North America, LLC, a Delaware limited liability company, and SunPower Capital, LLC, a Delaware limited liability company (collectively, the "Subsidiary Guarantors" and together with the Borrower, the "Loan Parties"), Credit Agricole Corporate and Investment Bank, as administrative agent for the Lenders (in such capacity, the "Agent"), and the Lenders listed on the signature pages hereof.

RECITALS

A. The Borrower, the Agent and the Lenders are parties to that certain Revolving Credit Agreement, dated as of July 3, 2013 (as amended pursuant to that certain First Amendment to Revolving Credit Agreement dated as of August 24, 2014 by and among the Loan Parties, the Agent and the Lenders, as further amended pursuant to that certain Second Amendment to Revolving Credit Agreement dated as of February 17, 2016 by and among the Loan Parties, the Agent and the Lenders, as further amended pursuant to this Amendment, and as it may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), pursuant to which the Lenders have provided a revolving credit facility to the Borrower. Each capitalized term used herein, that is not defined herein, shall have the meaning ascribed thereto in the Credit Agreement.

B. The Borrower has notified the Agent and the Lenders of its request to amend the Credit Agreement as set forth below, but otherwise have the Credit Agreement remain in full force and effect.

C. In accordance with section 9.02(b) (Waivers; Amendments) of the Credit Agreement, the Borrower, the Agent and each of the Lenders party hereto have agreed to amend the Credit Agreement, in accordance with the terms, and subject to the conditions, set forth herein.

AGREEMENT

The parties to this Amendment, intending to be legally bound, hereby agree as follows:

1. Amendments to Credit Agreement. Subject to satisfaction of the conditions precedent set forth in Section 4 below, the Borrower and the undersigned Lenders agree to amend the Credit Agreement as set forth below.

a. Deletion of Defined Term. The definition of "Reference Banks" in Section 1.01 (Defined Terms) of the Credit Agreement is hereby deleted in its entirety.

b. New Defined Terms. The following defined terms are hereby added, in alphabetical order, to Section 1.01 (Defined Terms) of the Credit Agreement:

"Interpolated Rate" means, with respect to any LIBO Rate Borrowing for any Interest Period, a rate per annum which results from interpolating on a linear basis between (a) the applicable Screen Rate for the longest maturity for which a Screen Rate is available that is shorter than such Interest Period and (b) the applicable Screen Rate for the shortest maturity for which a Screen Rate is available that is longer than such Interest Period, in each case at approximately 11:00 a.m., London time, on the date that is two Business Days prior to the commencement of such Interest Period.

"Screen Rate" has the meaning assigned to such term in the definition of "LIBO Rate" in this Section 1.01.

c. Amendment of Defined Term. The definitions of "LIBO Rate" and "Prime Rate" in Section 1.01 (Defined Terms) of the Credit Agreement are hereby amended and restated in their entirety to read as follows:

"LIBO Rate" means, with respect to any Interest Period, the London interbank offered rate as administered by the ICE Benchmark Administration (or any other Person that takes over the administration of such rate for Dollars) for a period equal in length to such Interest Period as displayed on the Reuters screen page that displays such rate (currently page LIBOR01) or, in the event such rate does not appear on a page of the Reuters screen, on the appropriate page of such other information service that publishes such rate as shall be selected by the Agent from time to time in its reasonable discretion (in each case, the "Screen Rate"), at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period; provided, that if the Screen Rate shall not be available at such time for such Interest Period with respect to Dollars, then the LIBO Rate shall be the Interpolated Rate. If the LIBO Rate (as determined pursuant to the foregoing provisions of this definition) for any Interest Period is below zero, then the LIBO Rate for such Interest Period shall be deemed to be zero.

"Prime Rate" means the rate of interest per annum determined from time to time by the Agent as its base rate in effect at its principal office in New York City and notified to the Borrower (which Borrower acknowledges is not necessarily Lender's lowest rate).

2. Representations and Warranties. Each Loan Party hereby represents and warrants, as of the date of this Amendment, that:

a. The representations and warranties in each Loan Document to which it is a party are true and correct in all material respects with the same effect as though made on and as of the date hereof, except to the extent such representations and warranties expressly relate to an earlier date, in which case they shall be true and correct in all material respects on and as of such earlier date; provided that, in each case, such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof;

b. The execution and delivery of this Amendment has been duly authorized by all necessary organizational action of such Loan Party. This Amendment has been duly executed and delivered by such Loan Party and is a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and to general principles of equity;

c. The transactions contemplated by this Amendment (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, except to the extent that any such failure to obtain such consent or approval or to take any such action, would not reasonably be expected to result in a Material Adverse Effect, (b) will not violate any Requirement of Law applicable to such Loan Party, (c) will not violate or result in a default under any other material indenture, agreement or other instrument binding upon such Loan Party its assets, or give rise to a right thereunder to require any payment to be made by such Loan Party, and (d) will not result in the creation or imposition of any Lien on any asset of such Loan Party; and

d. No Event of Default, or event or condition that would constitute an Event of Default but for the requirement that notice be given or time elapse or both, has occurred and is continuing or would result after giving effect to this Agreement.

3. Ratification and Confirmation of Loan Documents.

a. Except as expressly set forth herein, the execution, delivery, and performance of this Amendment shall not alter, modify, amend, or in any way affect any of the terms, conditions, obligations, covenants, or agreements contained in the Credit Agreement or any other Loan Document, and shall not operate as a waiver of any right, power, or remedy of the Agent or any Lender under the Credit Agreement or any other Loan Document.

b. Each Loan Party hereby acknowledges that it has read this Amendment and consents to the terms hereof, and hereby confirms and agrees that notwithstanding the effectiveness of this Amendment, the obligations of such Loan Party under the Loan Documents to which it is a party shall not be impaired or affected and such Loan Documents and all promissory notes and all other instruments, documents and agreements entered into by such Loan Party in connection with such Loan Documents are, and shall continue to be, in full force and effect and are hereby confirmed and ratified in all respects.

c. Each Subsidiary Guarantor further agrees that nothing in the Credit Agreement, this Amendment or any other Loan Document shall be deemed to require the consent of such Subsidiary Guarantor to any future amendment to the Credit Agreement.

4. Effectiveness. This Amendment shall become effective on the date first written above (the "Effective Date") only upon satisfaction of the following conditions precedent on or prior to such date unless otherwise waived in writing by the Lenders:

a. The Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Amendment signed on behalf of such party or (ii) written evidence

satisfactory to the Agent (which may include facsimile or .pdf transmission of a signed signature page of this Amendment) that such party has signed a counterpart of this Amendment.

b. The representations and warranties of the Loan Parties set forth herein shall be true and correct in all material respects as of the Effective Date.

c. No Event of Default, or event or condition that would constitute an Event of Default but for the requirement that notice be given or time elapse or both, shall be continuing as of the Effective Date.

d. The Agent shall have received (i) an officer's certificate from each Loan Party, dated the Effective Date, certifying that (A) attached thereto are true, complete and correct copies of the certificate of incorporation and bylaws of such Loan Party (or certifying that there have been no changes to such documents since they were most recently delivered and certified to the Agent in connection with the Second Amendment), (B) attached thereto is a true, complete and correct copy of the resolutions duly adopted by such Loan Party authorizing the execution, delivery and performance of this Amendment and that such resolutions have not been amended, modified, revoked or rescinded, and (C) such Loan Party is able to pay its debts as they become due and that no action has been taken by such Loan Party, its directors or officers in contemplation of the liquidation or dissolution of such Loan Party as of the Effective Date, and (ii) a good standing certificate for such Loan Party dated the Effective Date or a recent date prior to the Effective Date satisfactory to the Agent from such Loan Party's jurisdiction of organization.

e. The Agent shall have received signature and incumbency certificates of the officers of each Loan Party executing this Amendment, each dated as of the Effective Date.

f. The Agent and the Lenders shall have received from the Borrower all fees required to be paid on or before the Effective Date.

g. The Borrower shall have paid all reasonable and documented costs and expenses of the Agent (including the fees and expenses of Linklaters LLP as special counsel to the Lenders to the extent previously agreed) in connection with the preparation, execution, delivery and administration of this Amendment.

5. Miscellaneous.

a. The Loan Parties acknowledge and agree that the representations and warranties set forth herein are material inducements to the Agent and the Lenders to deliver this Amendment.

b. This Amendment shall be binding upon and inure to the benefit of and be enforceable by the parties hereto, and their respective permitted successors and assigns.

c. This Amendment is a Loan Document. Henceforth, this Amendment and the Credit Agreement shall be read together as one document and the Credit Agreement shall be modified accordingly. No course of dealing on the part of the Agent, the Lenders or any of their respective officers, nor any failure or delay in the exercise of any right by the Agent or the

Lenders, shall operate as a waiver thereof, and any single or partial exercise of any such right shall not preclude any later exercise of any such right. The failure at any time to require strict performance by the Loan Parties of any provision of the Loan Documents shall not affect any right of the Agent or the Lenders thereafter to demand strict compliance and performance. Any suspension or waiver of a right must be in writing signed by an officer of the Agent, and or the Lenders, as applicable. No other person or entity, other than the Agent and the Lenders, shall be entitled to claim any right or benefit hereunder, including, without limitation, the status of a third party beneficiary hereunder.

d. This Amendment shall be governed by and construed in accordance with the laws of the State of New York without reference to conflicts of law rules. The provisions of Section 9.09 and Section 9.11 of the Credit Agreement apply to this Amendment mutatis mutandis as if they were incorporated herein.

e. If any provision of this Amendment or any of the other Loan Documents shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that portion shall be deemed severed therefrom, and the remaining parts shall remain in full force as though the invalid, illegal or unenforceable portion had never been a part thereof.

f. This Amendment may be executed in any number of counterparts, including by electronic or facsimile transmission, each of which when so delivered shall be deemed an original, but all such counterparts taken together shall constitute but one and the same instrument.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the Loan Parties, the Agent and the undersigned Lenders have caused this Amendment to be executed as of the date first written above

Borrower

SUNPOWER CORPORATION

By: /s/ Charles Boynton
Name: Charles Boynton
Title: Executive Vice President &
Chief Financial Officer

Subsidiary Guarantors

SUNPOWER CORPORATION, SYSTEMS

By: /s/ Charles Boynton
Name: Charles Boynton
Title: Chief Financial Officer

SUNPOWER NORTH AMERICA, LLC

By: /s/ Charles Boynton
Name: Charles Boynton
Title: Chief Financial Officer

SUNPOWER CAPITAL, LLC

By: /s/ Mandy Yang
Name: Mandy Yang
Title: Chief Financial Officer & Treasurer

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, individually and as Agent

By: /s/ Lucie Campos Caresmel
Name: Lucie Campos Caresmel
Title: Director

By: /s/ Gary Herzog
Name: Gary Herzog
Title: Managing Director

DEUTSCHE BANK AG NEW YORK BRANCH, as a Lender

By: /s/ Marcus M. Tarkington
Name: Marcus M. Tarkington
Title: Director

By: /s/ Dusan Lazarov
Name: Dusan Lazarov
Title: Director

HSBC BANK USA, NATIONAL ASSOCIATION, as a Lender

By: /s/ Thomas Lo
Name: Thomas Lo
Title: Director

MIZUHO BANK, LTD., as a Lender

By: /s/ Nelson Chang
Name: Nelson Chang
Title: Authorized Signatory

SANTANDER BANK, N.A., as a Lender

By: /s/ William Maag
Name: William Maag
Title: Managing Director

CITICORP NORTH AMERICA, INC., as a Lender

By: /s/ Carl Cho
Name: Carl Cho
Title: Vice President

FIRST AMENDMENT TO SECURITY AGREEMENT

This First Amendment to Security Agreement (this "Amendment") is entered into as of February 17, 2016 by and among SunPower Corporation, a Delaware corporation, SunPower Corporation, Systems, a Delaware corporation, SunPower North America, LLC, a Delaware limited liability company, and SunPower Capital, LLC, a Delaware limited liability company, as Grantors (collectively, the "Grantors"), and Credit Agricole Corporate and Investment Bank, as Security Agent

RECITALS

A. The Grantors and the Security Agent are parties to that certain Security Agreement, dated as of January 31, 2014 (as amended pursuant this Amendment and as it may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement"). Each capitalized term used herein, that is not defined herein, shall have the meaning ascribed thereto in the Security Agreement.

B. In accordance with section 9.7(b) of the Security Agreement and Section 9.02 of the Credit Agreement, the parties to this Amendment have agreed to amend the Security Agreement, in accordance with the terms, and subject to the conditions, set forth herein.

AGREEMENT

The parties to this Amendment, intending to be legally bound, hereby agree as follows:

1. Amendments to Security Agreement. The definition of "Secured Parties" in Section 1.3 of the Security Agreement is hereby amended and restated in its entirety to read as follows:

"**Secured Parties**" means the Agent, the Security Agent, each Issuing Bank and each Lender under the Credit Agreement."

2. Ratification and Confirmation of Loan Documents. Except as expressly set forth herein, the execution, delivery, and performance of this Amendment shall not alter, modify, amend, or in any way affect any of the terms, conditions, obligations, covenants, or agreements contained in the Security Agreement or any other Loan Document, and shall not shall not operate as a waiver of any right, power, or remedy of the Agent or any Lender under the Security Agreement or any other Loan Document.

3. Miscellaneous. This Amendment shall be binding upon and inure to the benefit of and be enforceable by the parties hereto, and their respective permitted successors and assigns. This Amendment is a Loan Document. Henceforth, this Amendment and the Security Agreement shall be read together as one document and the Security Agreement shall be modified accordingly. This Amendment shall be governed by and construed in accordance with the laws of the State of New York without reference to conflicts of law rules. If any provision of this

Amendment or any of the other Loan Documents shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that portion shall be deemed severed therefrom, and the remaining parts shall remain in full force as though the invalid, illegal or unenforceable portion had never been a part thereof. This Amendment may be executed in any number of counterparts, including by electronic or facsimile transmission, each of which when so delivered shall be deemed an original, but all such counterparts taken together shall constitute but one and the same instrument.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the Grantors and the Security Agent have caused this Amendment to be executed as of the date first written above.

Grantors

SUNPOWER CORPORATION

By: /s/ Charles Boynton
Name: Charles Boynton
Title: Executive Vice President and
Chief Financial Officer

SUNPOWER CORPORATION, SYSTEMS

By: /s/ Charles Boynton
Name: Charles Boynton
Title: Chief Financial Officer

SUNPOWER NORTH AMERICA, LLC

By: /s/ Charles Boynton
Name: Charles Boynton
Title: Chief Financial Officer

SUNPOWER CAPITAL, LLC

By: /s/ Mandy Yang
Name: Mandy Yang
Title: Chief Financial Officer and Treasurer

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as Security Agent

By: /s/ Lucie Campos Caresmel
Name: Lucie Campos Caresmel
Title: Director

By: /s/ Kaye Ea
Name: Kaye Ea
Title: Managing Director

SUNPOWER

SUNPOWER CORPORATION 2015 OMNIBUS INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

1. Grant. Pursuant to the Notice of Grant of Restricted Stock Units or the Notice of Grant of Performance-Based Restricted Stock Units (the "***Notice of Grant***") to which this Restricted Stock Unit Agreement, including the Appendix (together, the "***Agreement***") is attached, SunPower Corporation, a Delaware corporation (the "***Company***"), has granted to Grantee the right to receive the number of Restricted Stock Units ("***RSUs***") or Performance-Based Restricted Stock Units ("***PSUs***") under the SunPower Corporation 2015 Omnibus Incentive Plan, as amended from time to time (the "***Plan***"), as set forth in the Notice of Grant. In addition, if Notice of Grant relates to PSUs, all references to RSUs in this Agreement shall mean PSUs.

2. Payment of RSUs. The RSUs covered by this Agreement shall become payable to Grantee if and when they become nonforfeitable in accordance with Section 3 (Vesting Schedule) hereof.

3. Vesting Schedule. Subject to Section 4 (Termination of Service), Grantee's right to receive Shares subject to the RSUs awarded by this Agreement will vest in Grantee according to the vesting schedule set forth in the Notice of Grant and/or the Vesting Summary set forth online through the Company's designated broker.

4. Termination of Service. Except as otherwise provided in the Notice of Grant:

(a) If Grantee terminates Service with the Company or a Subsidiary or Affiliate that is Grantee's employer (the "***Employer***") for any or no reason (other than due to death or Total and Permanent Disability or as otherwise provided in the Plan) prior to vesting, the unvested RSUs awarded by this Agreement will thereupon be forfeited at no cost to the Company and without any consideration to Grantee. The date on which Service terminates shall not be extended by any notice period required to be given under local law (e.g., Service would not include a period of "garden leave"); such termination date will be considered to be the last date of active employment.

(b) If Grantee terminates Service with the Company or the Employer due to death or Total and Permanent Disability, all unvested RSUs will vest in full as of the termination date due to death or Total and Permanent Disability, unless otherwise provided in the Notice of Grant.

5. Leaves of Absence. Grantee's Service will not terminate and Grantee's vesting will continue unaffected for up to 90 days, provided:

(a) Grantee is on a personal leave of absence, which has been approved in writing by the Company or the Employer; or

(b) Grantee is on a bona fide leave of absence for which Grantee is entitled to continued service crediting as a matter of law or under the terms of a contract.

In all other circumstances, the Committee may suspend the vesting of the RSUs, according to its policy and procedures for such leaves of absences. Further, if Grantee does not return to active Service following a leave of absence in keeping with (a) or (b) above, Grantee will have terminated his or her employment and vesting will cease.

6. Form and Time of Payment of RSUs. Except as otherwise provided for in Section 9 (Adjustments), payment for the RSUs shall be made in form of whole Shares at the time they become nonforfeitable in accordance with Section 3 (Vesting Schedule) hereof, or as soon as practicable thereafter, but with regard to U.S. taxpayers, in any event, within the period ending on the later to occur of the date that is 2½ months within the period ending on the later to occur of the end of (i) U.S. taxpayers' tax year that includes the date of vesting, or (ii) the Company's tax year that includes the applicable date of vesting.

7. No Dividend Equivalents. Grantee shall not be entitled to dividend equivalents.

8. Grant is Not Transferable. Subject to the provisions of Section 10(f) of the Plan regarding the designation of beneficiaries, neither the RSUs granted hereby nor any interest therein or in the Shares related thereto shall be transferable other than by will or the laws of descent and distribution prior to payment of the RSUs.

9. Adjustments. In the event of a stock split, a stock dividend or a similar change in Stock or other capitalization adjustment contemplated in Section 11(a) of the Plan, the number of RSUs subject to this Agreement shall be adjusted pursuant to the Plan.

10. Compliance with Section 409A of the Code. For U.S. taxpayers, it is intended that the vesting and the payments of RSUs set forth in this Agreement shall qualify for exemption

from the application of Section 409A of the Code, and any ambiguities herein will be interpreted to so comply. The Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify this Agreement as may be necessary to ensure that all vesting and/or payments provided under this Agreement are made in a manner that qualifies for exemption from or complies with Section 409A of the Code; provided, however, that the Company makes no representation that the vesting or payments of RSUs provided under this Agreement will be exempt from Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to the vesting and/or payment of RSUs provided under this Agreement.

11. No Service Contract. The grant of the RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past. The RSUs and the Shares subject to the RSUs are not part of normal or expected compensation or salary for purposes of, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Subsidiary or Affiliate.

12. Retention Rights. Neither the Award nor this Agreement gives Grantee the right to be retained by the Company, the Employer, or any Subsidiary or Affiliate in any capacity. The Award will not be interpreted to form an employment contract or relationship with the Company, the Employer, or any Subsidiary or Affiliate. Grantee's participation in the Plan shall not create a right to further employment with the Company or the Employer and shall not interfere with the ability of the Company or the Employer to terminate Grantee's employment or service relationship (if any) at any time with or without cause.

13. Nature of Grant. In accepting the grant, Grantee acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time as set forth in the Plan;

(b) all decisions with respect to future RSU grants, if any, will be at the sole discretion of the Company;

(c) Grantee is voluntarily participating in the Plan;

(d) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(e) the RSUs and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability;

(f) unless otherwise agreed with the Company, the RSUs and the Shares subject to the RSUs, and the income and value of same, are not granted as consideration for, or in connection with, any service Grantee may provide as a director of a Subsidiary or Affiliate;

(g) the RSUs and the Shares subject to the RSUs, and the income and value of same, are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company, the Employer or any Subsidiary or Affiliate, and are outside the scope of Grantee's service or employment contract, if any;

(h) the RSUs and the Shares subject to the RSUs, and the income and value of same, are not intended to replace any pension rights or compensation

(i) for Grantees who reside outside the U.S., the following additional provisions shall apply:

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs or the recovery by the Company of any Shares acquired pursuant to the RSUs resulting from (A) termination of Grantee's Service with the Company, the Employer or any Subsidiary or Affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and/or (B) the application of any clawback or recovery policy as described in Section 17(d) of the Plan; and in consideration of the grant of the RSUs to which Grantee is otherwise not entitled, Grantee irrevocably agrees never to institute any claim against the Company or the Employer, waives his or her ability, if any, to bring any such claim, and releases the Company and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Grantee shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims;

(ii) in the event of termination of Grantee's Service, Grantee's right to vest in the RSUs, if any, will terminate effective as of the date that Grantee is no longer actively employed (regardless of the reason for termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where Grantee is employed or the terms of Grantee's employment agreement, if any) and will not be extended by any notice period (e.g., the period of active employment would not include a period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Grantee is employed or the terms of Grantee's employment agreement, if any); the Committee shall have the exclusive discretion to determine when Grantee is no longer actively providing services for purposes of the RSUs;

(iii) Grantee acknowledges and agrees that neither the Company, the Employer nor any other Subsidiary or Affiliate

shall be liable for any foreign exchange rate fluctuation between Grantees local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to Grantee pursuant to the vesting of the RSUs or the subsequent sale of any Shares acquired at vesting; and

(iv) the RSUs and the Shares subject to the RSUs are not part of normal or expected compensation or salary for any purpose.

14. Address for Notices. Any notice to be given to the Company under the terms of this Agreement will be addressed to the Company at 2900 Esperanza Crossing, Austin, Texas 78758 U.S.A., Attn: Stock Plans Dept, or at such other address as the Company may hereafter designate in writing or electronically.

15. Taxes and Withholding.

(a) Grantee acknowledges that, regardless of any action the Company or the Employer, if different, takes with respect to any or all income tax, social insurance, fringe benefits tax, payroll tax, payment on account or other tax-related items related to Grantee's participation in the Plan and legally applicable to Grantee or deemed by the Company or the Employer in their reasonable discretion to be an appropriate charge to Grantee even if legally applicable to the Company or the Employer ("***Tax-Related Items***"), the ultimate liability for all Tax-Related Items is and remains Grantee's responsibility and may exceed the amount actually withheld by the Company or the Employer. Grantee further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant, vesting or settlement of the RSUs, the issuance of Shares, the subsequent sale of Shares acquired pursuant to such issuance; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, Grantee acknowledges that if Grantee is subject to tax in more than one jurisdiction, the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to any relevant taxable or tax withholding event, as applicable, Grantee will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. Unless otherwise determined by the Committee, this Tax-Related Items withholding obligation shall be satisfied by the retention by the Company of Shares otherwise deliverable pursuant to this award; provided, however, that the Shares retained for payment of the Tax-Related Items must satisfy the minimum tax withholding amount permissible under the method that results in the least amount withheld. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, Grantee is deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of Grantee's participation in the Plan.

(c) In the alternative and subject to the Committee's authorization, Grantee agrees that the Company and/or the Employer, or their respective agents, at their discretion, may satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(i) withholding from Grantee's wages or other cash compensation paid to Grantee by the Company, the Employer and/or any Subsidiary or Affiliate; or

(ii) withholding from proceeds of the sale of Shares acquired upon vesting/settlement of the RSUs through a voluntary sale or through a mandatory sale arranged by the Company (on Grantee's behalf pursuant to this authorization).

(d) Grantee shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Grantee's participation in the Plan that cannot be satisfied by the means described in this Section.

16. Plan Governs. This Agreement and the Notice of Grant are subject to all terms and provisions of the Plan. In the event of a conflict between one or more provisions of this Agreement or the Notice of Grant and one or more provisions of the Plan, the provisions of the Plan will govern.

17. Committee Authority. The Committee will have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any RSUs have vested and when Grantee is no longer actively employed for purposes of Grantee's RSU grant). All actions taken and all interpretations and determinations made by the Committee in good faith will be final and binding upon Grantee, the Company and all other interested persons. No member of the Committee will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Agreement.

18. Data Privacy Notice and Consents. ***This Section 18 (Data Privacy Notice and Consent) applies only if Grantee resides outside the U.S. Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Grantee's personal data as described in this Agreement and any other RSU grant materials by and among, as applicable, the Employer, the Company and its Subsidiaries and Affiliates for the exclusive purpose of implementing, administering and managing Grantee's participation in the Plan.***

Grantee understands that the Company and the Employer may hold certain personal information about Grantee, including, but not limited to, Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number (e.g., resident registration number), salary, nationality, job title, any Shares or directorships held in the Company, details of all RSUs or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Grantee's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Grantee understands that Data will be transferred to Charles Schwab and any other third party assisting in the implementation, administration and management of the Plan. Grantee understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than Grantee's country. If Grantee resides outside the U.S., Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting Grantee's local human resources representative. Grantee authorizes the Company, Charles Schwab and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing Grantee's participation in the Plan. Grantee understands that Data will be held only as long as is necessary to implement, administer and manage Grantee's participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom any Shares issued upon vesting of RSUs may be deposited. Grantee understands that Grantee may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Grantee's local human resources representative. Grantee understands that Grantee is providing the consents herein on a purely voluntary basis and that if Grantee does not consent, or if Grantee later seeks to revoke consent, Grantee's employment status or service and career with the Employer will not be adversely affected. Grantee understands, however, that refusing or withdrawing Grantee's consent may affect Grantee's ability to participate in the Plan. For more information on the consequences of Grantee's refusal to consent or withdrawal of consent, Grantee understands that Grantee may contact Grantee's local human resources representative.

19. Amendments. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment shall adversely affect the rights of Grantee in a material way under this Agreement without Grantee's consent.

20. Severability. If any provision of this Agreement or the application of any provision hereof to any person or circumstances is held invalid or unenforceable, the remainder of this Agreement and the application of such provision to any other person or circumstances shall not be affected, and the provisions so held to be invalid or unenforceable shall be reformed to the extent (and only to the extent) necessary to make it enforceable and valid.

21. Successors and Assigns. Without limiting Section 8 (Grant is Not Transferable) hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of Grantee, and the successors and assigns of the Company.

22. Governing Law & Venue. This Agreement shall be governed by and construed in accordance with the internal substantive laws of the State of Delaware, without giving effect to any principle of law that would result in the application of the law of any other jurisdiction. For purposes of litigating any dispute that arises under this grant or this Agreement, the parties hereby submit to and consent to the jurisdiction of the State of California, and agree that such litigation will be conducted in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this Agreement is made and/or to be performed.

23. No Advice Regarding Award. The Company is not providing any tax, legal or financial advice, nor is the company making any recommendation regarding Grantee's participation in the Plan, or the acquisition or sale of underlying Shares. Grantee should consult with his or her personal tax, legal, and financial advisors regarding the decision to participate in the Plan before taking any action related to the Plan.

24. Electronic Delivery and Participation. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

25. Language. If Grantee has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

26. Appendix. Notwithstanding any provisions in this Agreement, the RSU grant shall be subject to any special terms and conditions for Grantee's country, if any, as set forth in the Appendix to this Agreement. Moreover, if Grantee relocates to

one of the countries included in the Appendix, the special terms and conditions for such country will apply to Grantee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. This Appendix constitutes part of this Agreement.

27. Imposition of Other Requirements. The Company reserves the right to impose other requirements on Grantee's participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

28. Waiver. Grantee acknowledges that a waiver by the Company of breach of any provision of the Agreement shall not operate or be construed as a waiver of any other provision of the Agreement or of any subsequent breach by Grantee or any other grantee.

29. Insider Trading Restrictions / Market Abuse Laws. Grantee acknowledges that Grantee may be subject to insider trading restrictions and/or market abuse laws, which may affect Grantee's ability to acquire or sell Shares or rights to Shares (e.g., RSUs) under the Plan during such times as Grantee is considered to have "inside information" regarding the Company (as defined by the laws in Grantee's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Grantee acknowledges that it is his or her responsibility to comply with any applicable restrictions, and Grantee should consult his or her personal advisor on this matter.

30. Foreign Asset/Account Reporting; Exchange Control. Grantee's country may have certain foreign asset and/or account reporting requirements and/or exchange controls which may affect Grantee's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside Grantee's country. Grantee may be required to report such accounts, assets or transactions to the tax or other authorities in Grantee's country. Grantee also may be required to repatriate sale proceeds or other funds received as a result of participation in the Plan to Grantee's country through a designated bank or broker and/or within a certain time after receipt. Grantee acknowledges that it is Grantee's responsibility to be compliant with such regulations and that Grantee should consult his or her personal legal advisor on this matter.

SUNPOWER

SUNPOWER CORPORATION 2015 OMNIBUS INCENTIVE PLAN

ADDITIONAL TERMS & CONDITIONS OF THE RESTRICTED STOCK UNIT AGREEMENT

APPENDIX
(FOR GRANTEES OUTSIDE THE U.S.)

This Appendix includes additional terms and conditions that govern the Restricted Stock Units ("***RSUs***") granted to Grantee if Grantee resides in one of the countries listed herein. This Appendix forms part of the Restricted Stock Unit Agreement (the "***Agreement***"). Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Plan and/or the Agreement.

This Appendix also includes information regarding exchange controls and certain other issues of which Grantee should be aware with respect to Grantee's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of December 2015. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Grantee not rely on the information noted herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be out of date at the time Grantee vests in the RSUs or sells Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to Grantee's particular situation, and the Company is not in a position to assure Grantee of any particular result. Accordingly, Grantee should seek appropriate professional advice as to how the relevant laws in his or her country may apply to Grantee's situation.

Finally, Grantee understands that if he or she is a citizen or resident of a country other than the one in which Grantee is currently working and/or residing, transfers employment and/or residency after the Date of Grant, or is considered a resident of another country for local law purposes, the information contained herein may not apply to Grantee, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply.

AUSTRALIA - ***Terms and Conditions***

Australian Offer Document. This offer of RSUs is intended to comply with the provisions of the Corporations Act 2001, ASIC Regulatory Guide 49 and ASIC Class Order CO 14/1000. Additional details are set forth in the Offer Document for the offer of RSUs to Australian resident employees, which will be provided to Grantee with the Agreement**.**

BELGIUM - ***Notifications***

Tax Compliance. Belgian residents must report any bank accounts opened and maintained outside Belgium in the annual tax return. In a separate report, Belgian residents must provide the National Bank of Belgium with certain details regarding such foreign accounts using forms available on the National Bank of Belgium website.

CANADA - ***Terms and Conditions***

Payable Only in Shares. Notwithstanding any discretion in the Plan, the grant of RSUs does not provide any right for Grantee to receive a cash payment, and the RSUs are payable only in Shares.

Termination of Employment. The following provision replaces Section 4 and Section 13(i)(ii) of the Agreement:

Notwithstanding any contrary provision of this Agreement or the Notice of Grant, if Grantee terminates Service with the Company for any or no reason prior to vesting (whether or not later found to be invalid or in breach of local labor laws or Grantee's employment agreement, if any), Grantee's right to vest in the RSUs under the Plan, if any, will terminate effective as of the date that is the earlier of (i) the date on which Grantee receives a notice of termination of employment from the Company or the Employer, or (ii) the date on which Grantee is no longer actively employed or actively rendering services to the Company or the Employer, regardless of any notice period or period of pay in lieu of such notice required under local law; the Committee shall have the exclusive discretion to determine when Grantee is no longer employed for purposes of the RSUs.

Foreign Asset / Account Reporting Requirement. Foreign property, including shares and rights to receive shares (e.g., stock options, restricted stock units) of a non-Canadian company held by a Canadian resident must generally be reported annually on a Form T1135 (Foreign Income Verification Statement) if the total cost of the foreign property exceeds C$100,000 at any time during the year. Thus, Grantee's RSUs

must be reported – generally at a nil cost – if the C$100,000 cost threshold is exceeded because other foreign property is held by Grantee. When Shares are acquired, their cost generally is the adjusted cost base ("ACB") of the Shares. The ACB would ordinarily equal the fair market value of the Shares at the time of acquisition, but if Grantee owns other Shares, this ACB may have to be averaged with the ACB of the other Shares. Grantee should consult his or her personal tax advisor to ensure compliance with applicable reporting obligations.

CHILE - ***Notifications***

Securities Law Notification. The offer of RSUs constitutes a private offering of securities in Chile effective as of the Date of Grant. This offer of RSUs is made subject to general ruling N° 336 of the Chilean Superintendence of Securities and Insurance ("SVS"). The offer refers to securities not registered at the securities registry or at the foreign securities registry of the SVS, and, therefore, such securities are not subject to oversight of the SVS. Given that the RSUs are not registered in Chile, the Company is not required to provide public information about the RSUs or the Shares in Chile. Unless the RSUs and/or the Shares are registered with the SVS, a public offering of such securities cannot be made in Chile.

Esta oferta de Unidades de Acciones Restringidas ("RSU") constituye una oferta privada de valores en Chile y se inicia en la Fecha de la Concesión. Esta oferta de RSU se acoge a las disposiciones de la Norma de Carácter General Nº 336 ("NCG 336") de la Superintendencia de Valores y Seguros de Chile ("SVS"). Esta oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la SVS, por lo que tales valores no están sujetos a la fiscalización de ésta. Por tratarse los RSU de valores no registrados en Chile, no existe obligación por parte de la Compañía de entregar en Chile información pública respecto de los RSU or sus Acciones. Estos valores no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el Registro de Valores correspondiente.

Exchange Control Notification. Chilean residents must comply with the exchange control and tax reporting requirements in Chile when sending funds into the country in connection with the sale of Shares pursuant to the Plan, or the receipt of any dividends paid on the Shares, and register any investments with the Chilean Internal Revenue Service (the "CIRS").

Chilean residents are not required to repatriate funds obtained from the sale of Shares or the receipt of any dividends. However, if such funds are repatriated, they must be repatriated through the Formal Exchange Market (i.e., a commercial bank or registered foreign exchange office) if the funds exceed US$10,000. In such case, Grantee must report the payment to a commercial bank or registered foreign exchange office receiving the funds. If Grantee does not repatriate the funds and uses such funds for the payment of other obligations contemplated under a different Chapter of the Foreign Exchange Regulations, Grantee must sign Annex 1 of the Manual of Chapter XII of the Foreign Exchange Regulations and file it directly with the Central Bank within the first 10 days of the month immediately following the transaction.

Further, if aggregated investments held outside Chile exceed US$5,000,000 (including the Shares or cash proceeds received under the Plan), the investments must be reported quarterly to the Central Bank. Annex 3.1 of Chapter XII of the Foreign Exchange Regulations must be used to file this report.

Please note that exchange control regulations in Chile are subject to change. Grantee should consult his or her personal legal advisor regarding any exchange control obligations that Grantee may have prior to vesting in the RSUs, receiving proceeds from the sale of Shares or receiving any dividends paid on the Shares.

Tax Registration Notification. If a Chilean resident holds Shares acquired under the Plan outside of Chile, the resident must inform the Chilean Internal Revenue Service (the "CIRS") of the details of his or her investment in the Shares on an annual basis by filing Tax Form 1851 "Annual Sworn Statement Regarding Permanent Investments In Foreign Companies." Further, if Grantee wishes to receive credit against his or her Chilean income taxes for any taxes paid abroad, he or she must report the payment of taxes abroad to the CIRS by filing Tax Form 1853 "Annual Sworn Statement Regarding Income from Foreign Sources." These statements must be submitted electronically through the CIRS website (www.sii.cl) before March 15 of each year.

FRANCE - ***Terms and Conditions***

Language Consent. By accepting the grant, Grantee confirms having read and understood the Plan and Agreement which were provided in the English language. Grantee accepts the terms of those documents accordingly.

Consentement Relatif à la Langue Utilisée. *En acceptant l'attribution, le Participant confirme avoir lu et compris le Plan et le Contrat, qui ont été communiqués en langue anglaise. Le Participant accepte les termes de ces documents en connaissance de cause.*

Notifications

Foreign Asset / Account Reporting Requirement. Shares obtained under the Plan may be held outside France provided that all foreign accounts whether open, current, or closed are declared in the annual income tax return. Additional monthly reporting obligations may apply to foreign account balances exceeding €1,000,000.

GERMANY

Exchange Control Notification. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. In case of payments in connection with the sale of Shares acquired under the Plan, the report must be filed electronically by the 5th day of the month following the month in which the payment was received. The form of report ("*Allgemeine Meldeportal Statistik*") can be accessed via the Bundesbank's website (www.bundesbank.de) and is available in

ITALY - ***Terms and Conditions***

Data Privacy Notice and Consent. This provision replaces Section 18 (Data Privacy Notice and Consent) of the Agreement:

Grantee hereby explicitly and unambiguously consents to the collection, use, processing and transfer, in electronic or other form, of Grantee's personal data as described in this section of this Appendix by and among, as applicable, Grantee's employer (the "Employer"), the Company and its Subsidiaries or Affiliates for the exclusive purpose of implementing, administering, and managing Grantee's participation in the Plan.

Grantee understands that the Employer, the Company and any Subsidiary or Affiliate may hold certain personal information about Grantee, including, but not limited to, Grantee's name, home address

and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, a Subsidiary or an Affiliate, and details of all RSUs or any other entitlement to Shares awarded, canceled, exercised, purchased, vested, unvested or outstanding in Grantee's favor ("Data"), for the exclusive purpose of implementing, managing and administering the Plan.

Grantee also understands that providing the Company with Data is necessary for the performance of the Plan and that Grantee's refusal to provide such Data would make it impossible for the Company to perform its contractual obligations and may affect Grantee's ability to participate in the Plan. The Controller of personal data processing is SunPower Corporation with registered offices at 77 Rio Robles, San Jose, California 95134, United States of America, and, pursuant to Legislative Decree no. 196/2003, its representative in Italy is SunPower Italia s.r.l. with registered offices at Via Vittime Civili di Guerra, 5 Faenza (RA), 48018, Italy.

Grantee understands that Data will not be publicized, but it may be transferred to Charles Schwab or other third parties involved in the management and administration of the Plan. Grantee understands that Data may also be transferred to the independent registered public accounting firm engaged by the Company. Grantee further understands that the Company, and/or any Subsidiary or Affiliate will transfer Data among themselves as necessary for the purpose of implementing, administering and managing Grantee's participation in the Plan, and that the Company, a Subsidiary or an Affiliate may each further transfer Data to third parties assisting the Company in the implementation, administration, and management of the Plan, including any requisite transfer of Data to Charles Schwab or other third party with whom Grantee may elect to deposit any Shares acquired at vesting of the RSUs. Such recipients may receive, possess, use, retain, and transfer Data in electronic or other form, for the purposes of implementing, administering, and managing Grantee's participation in the Plan. Grantee understands that these recipients may be located in or outside the European Economic Area, such as in the United States or elsewhere. Should the Company exercise its discretion in suspending all necessary legal obligations connected with the management and administration of the Plan, it will delete Data as soon as it has completed all the necessary legal obligations connected with the management and administration of the Plan.

Grantee understands that Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data is collected and with confidentiality and security provisions, as set forth by applicable laws and regulations, with specific reference to Legislative Decree no. 196/2003.

The processing activity, including communication, the transfer of Data abroad, including outside the European Economic Area, as herein specified and pursuant to applicable laws and regulations, does not require Grantee's consent thereto, as the processing is necessary to performance of contractual obligations related to implementation, administration, and management of the Plan. Grantee understands that, pursuant to Section 7 of the Legislative Decree no. 196/2003, Grantee has the right to, including but not limited to, access, delete, update, correct, or terminate, for legitimate reason, the Data processing.

Furthermore, Grantee is aware that Data will not be used for direct-marketing purposes. In addition, Data provided can be reviewed and questions or complaints can be addressed by contacting Grantee's local human resources representative.

Terms of Grant. By accepting the Award, Grantee acknowledges that (1) Grantee has received a copy of the Plan, the Agreement and this Appendix; (2) Grantee has reviewed those documents in their entirety and fully understands the contents thereof; and (3) Grantee accepts all provisions of the Plan, the Agreement and this Appendix. Grantee further acknowledges that Grantee has read and specifically and expressly approves, without limitation, the following sections of the Agreement: Section 13 (Nature of Grant); Section 15 (Taxes and Withholding); Section 22 (Governing Law and Venue); Section 25 (Language); Section 29 (Insider Trading Restrictions / Market Abuse Laws); **and** Section 18 (Data Privacy Notice and Consent) as replaced by the above consent.

Notice of Sale. If Grantee sells or otherwise disposes of Shares within three years from the respective date of vest, Grantee is required to submit a signed original Notice of Sale to Grantee's local human resource department within 15 days from the date of sale or disposition. The Company will make a Notice of Sale available to Grantee.

Notifications

Foreign Asset / Account Reporting Requirement. Italian residents who, during any fiscal year, hold investments or financial assets outside Italy (e.g., cash, Shares) which may generate income taxable in Italy must report such investments or assets in the annual tax return or on a special form if no tax return is due. These reporting obligations also apply if an Italian resident is the beneficial owner of foreign financial assets under Italian money laundering provisions.

Tax on Foreign Financial Assets. The value of the financial assets held outside Italy by individuals resident in Italy is subject to a foreign asset tax. Such tax is levied at an annual rate of 2 per thousand (0.2%). The taxable amount will be the fair market value of the financial assets (e.g., Shares) assessed at the end of the calendar year.

JAPAN - ***Notifications***

Foreign Asset / Account Reporting Requirement. Details of any assets held outside of Japan as of December 31, including Shares, must be reported to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such report will be due by March 15 each year. Grantee is responsible for complying with this reporting obligation and should confer with his or her personal tax advisor in this regard.

KOREA - ***Notifications***

Exchange Control Notification. Exchange control laws require Korean residents who realize US$500,000 or more from the sale of Shares to repatriate the proceeds to Korea within three years of the sale.

Foreign Asset / Account Reporting Requirement. Korean residents must declare all foreign financial accounts (e.g., non-Korean bank accounts, brokerage accounts, etc.) to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 1 billion (or an equivalent amount in foreign currency) on any month-end date during a calendar year. *Grantee should consult with his or her personal tax advisor to determine how to value Grantee's foreign accounts for purposes of this reporting requirement and whether Grantee is required to file a report with respect to such accounts.*

MALAYSIA – ***Terms and Conditions***

Data Privacy Notice. This provision replaces Section 18 of the Agreement:

Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her personal data, as described in the Agreement and any other grant materials by and among, as applicable, the Employer, the Company and any Subsidiary or Affiliate for the exclusive purpose of implementing, administering and managing Grantee's participation in the Plan.

Grantee understands that the Employer, the Company and any Subsidiary or Affiliate may hold certain personal information about Grantee, including, but not limited to, his or her name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all RSUs or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Grantee's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan. The Data is supplied by the Employer and also by Grantee through information collected in connection with the Plan and the Agreement, including this Appendix.

Grantee understands that Data will be transferred to the Plan broker, Charles Schwab, or such other stock plan service provider as may be selected by the Company in the future (the "Designated Broker"), which is assisting the Company with the implementation, administration and management of the Plan. Grantee understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than Grantee's country. Grantee understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting the Stock Plan Administrator, +1 512-735-0178, stock@sunpower.com. Grantee authorizes the Company, the Designated Broker and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Grantee's participation in the Plan, including any transfer of such Data as may be required to a broker, escrow agent or other third party with whom the Shares received upon vesting of Grantee's RSU may be deposited. Grantee understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan. Grantee understands that Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Grantee's local human resources representative. Further, Grantee understands that he or she is providing the consents herein on a purely voluntary basis. If Grantee does not consent, or if he or she later seeks to revoke his or her consent, Grantee's employment status or service and career with the Employer will not be adversely affected; the only consequence of refusing or withdrawing consent is that the Company may not be able to grant Grantee RSUs or other equity awards or administer or maintain such awards. Therefore, Grantee understands that refusing or withdrawing his or her consent may affect his or her ability to participate in the Plan. For more information on the consequences of Grantee's refusal to consent or withdrawal of consent, Grantee understands that he or she may contact his or her local human resources representative.

Notis Privasi Data. Peruntukan ini menggantikan Seksyen 18 Perjanjian:

Penerima Geran dengan ini secara eksplisit dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadinya seperti yang dinyatakan dalam Perjanjian dan apa-apa bahan geran oleh dan di antara, sebagaimana yang berkenaan, Majikan, Syarikat dan mana-mana Subsidiari atau Syarikat Sekutu untuk tujuan ekslusif dalam pelaksanaan, pentadbiran dan pengurusan penyertaan Penerima Geran dalam Pelan tersebut.

Penerima Geran memahami bahawa Majikannya, Syarikat dan mana-mana Subsidiari atau Syarikat Sekutu mungkin memegang maklumat peribadi tertentu tentang Penerima Geran, termasuk, tetapi tidak terhad kepada, namanya, alamat rumah dan nombor telefon, tarikh lahir, nombor insurans sosial atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa Saham atau jawatan pengarah yang dipegang dalam Syarikat, butir-butir semua RSUs atau apa-apa hak lain dalam Saham yang dianugerahkan, dibatalkan, dilaksanakan, terletakhak, tidak terletakhak ataupun yang belum dijelaskan bagi faedah Penerima Geran ("Data"), untuk tujuan yang eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan tersebut. Data akan dibekalkan oleh Majikan dan juga oleh Penerima Geran melalui maklumat yang dikumpul berkenaan dengan Pelan dan Perjanjian tersebut, termasuk Lampiran ini.

Penerima Geran memahami bahawa Data akan dipindahkan kepada broker Pelan, Charles Scwhab, atau pembekal perkhidmatan pelan saham lain yang mungkin dipilih oleh Syarikat pada masa depan ("Broker Yang Ditetapkan"), yang membantu Syarikat dalam pelaksanakan, pentadbiran dan pengurusan Pelan tersebut. Penerima Geran memahami bahawa penerima-penerima Data mungkin berada di Amerika Syarikat atau di tempat lain, dan bahawa negara penerima-

penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara Penerima Geran. Penerima Geran faham bahawa dia boleh meminta senarai nama dan alamat mana-mana penerima Data berpotensi dengan menghubungi Stock Plan Administrator, +1 512-735-0178, stock@sunpower.com. Penerima Geran memberi kuasa kepada Syarikat, Broker Yang Ditetapkan dan mana-mana penerima-penerima lain yang mungkin membantu Syarikat (pada masa kini atau masa depan) untuk melaksanakan, mentadbir dan menguruskan Pelan tersebut untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau bentuk yang lain, dengan tujuan untuk melaksanakan, mentadbir dan menguruskan penyertaan Penerima Geran dalam Pelan tersebut, termasuk mana-mana pemindahan Data yang diperlukan kepada broker, ejen eskrow atau pihak ketiga lain dengan siapa Saham yang diterima mungkin didepositkan apabila RSU Penerima Geran dilaksanakan. Penerima Geran faham bahawa Data akan dipegang hanya untuk tempoh yang diperlukan untuk melaksanakan, mentadbir dan menguruskan penyertaannya dalam Pelan tersebut. Penerima Geran faham bahawa dia boleh, pada bila-bila masa, melihat Data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, meminta apa-apa pindaan yang diperlukan dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes, tanpa kos, dengan menghubungi secara bertulis wakil sumber manusia tempatan Penerima Geran. Selanjutnya, Penerima Geran memahami bahawa dia memberikan keizinan di dalam ini secara sukarela. Jika Penerima Geran tidak bersetuju, atau jika Penerima Geran kemudian membatalkan persetujuannya, status pekerjaan atau perkhidmatan dan kerjaya Penerima Geran dengan Majikan tidak akan terjejas; satu-satunya akibat jika dia tidak bersetuju atau menarik balik persetujuannya adalah bahawa Syarikat mungkin tidak akan dapat memberikan RSUs pada masa depan atau anugerah ekuiti yang lain kepada Penerima Geran atau mentadbir atau mengekalkan anugerah tersebut. Oleh itu, Penerima Geran faham bahawa keengganan atau penarikan balik persetujuannya boleh menjejaskan keupayaannya untuk mengambil bahagian dalam Pelan tersebut. Untuk maklumat lanjut mengenai akibat keengganan Penerima Geran untuk memberikan keizinan atau penarikan balik keizinan, Penerima Geran fahami bahawa dia boleh menghubungi wakil sumber manusia tempatannya.

Notifications

Director Notification. If Grantee is a director of a Subsidiary, Affiliate or other related company in Malaysia, Grantee is subject to certain notification requirements under the Malaysian Companies Act, 1965. Among these requirements is an obligation to notify the Malaysian Subsidiary in writing when Grantee receives an interest (e.g., RSUs, Shares) in the Company or any related companies. In addition, Grantee must notify the Malaysian Subsidiary when Grantee sells Shares of the Company or any related company (including when Grantee sell Shares acquired under the Plan). These notifications must be made within 14 days of acquiring or disposing of any interest in the Company or any related company.

MEXICO - ***Terms and Conditions***

Labor Law Acknowledgement. These provisions supplement Section 13 of the Agreement:

Modification. By accepting the RSUs, Grantee understands and agrees that any modification of the Plan or the Agreement or its termination shall not constitute a change or impairment of the terms and conditions of employment.

Policy Statement. The Award of RSUs the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with registered offices at 77 Rio Robles, San Jose, California 95134 U.S.A., is solely responsible for the administration of the Plan and participation in the Plan and the acquisition of Shares does not, in any way, establish an employment relationship between Grantee and the Company since Grantee is participating in the Plan on a wholly commercial basis and the sole employer is SunPower Corporation Mexico, S. de R.L. de C.V., nor does it establish any rights between Grantee and the Employer.

Plan Document Acknowledgment. By accepting the Award of RSUs, Grantee acknowledges that Grantee has received copies of the Plan, has reviewed the Plan and the Agreement in their entirety and fully understands and accepts all provisions of the Plan and the Agreement.

In addition, Grantee further acknowledges that Grantee has read and specifically and expressly approves the terms and conditions in the Nature of Grant, Section 13 of the Agreement, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) the Company and any Subsidiary or Affiliate are not responsible for any decrease in the value of the Shares underlying the RSUs.

Finally, Grantee hereby declares that Grantee does not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of Grantee's participation in the Plan and therefore grants a full and broad release to the Employer, the Company and any Subsidiary or Affiliate with respect to any claim that may arise under the Plan.

Spanish Translation

Reconocimiento de la Ley Laboral. *Estas disposiciones complementan el apartado 13 del Acuerdo:*

Modification. Al aceptar las RSUs, el Beneficiario reconoce y acuerda que cualquier modificación del Plan o su terminación no constituye un cambio o desmejora de los términos y condiciones de empleo.

Declaración de Política. El Otorgamiento de RSUs de la Compañía en virtud del Plan es unilateral y discrecional y, por lo tanto, la Compañía se reserva el derecho absoluto de modificar y discontinuar el mismo en cualquier tiempo, sin responsabilidad alguna.

La Compañía, con oficinas registradas ubicadas 77 Rio Robles, San Jose, California 95134 EE.UU., es la única responsable de la administración del Plan y de la participación en el mismo y la adquisición de Acciones no establece de forma alguna una relación de trabajo entre el Beneficiario y la Compañía, ya que su participación

en el Plan es completamente comercial y el único empleador es SunPower Corporation Mexico, S. de R.L. de C.V en caso de ser aplicable, así como tampoco establece ningún derecho entre la persona que tenga el derecho a optar y el Empleador.

Reconocimiento del Documento del Plan. Al aceptar el Otorgamiento de las RSUs, el Beneficiario reconoce que ha recibido copias del Plan, ha revisado el mismo, al igual que la totalidad del Acuerdo y, que ha entendido y aceptado completamente todas las disposiciones contenidas en el Plan y en el Acuerdo.

Adicionalmente, reconoce que ha leído, y que aprueba específica y expresamente los términos y condiciones contenidos en la Renuncia de Derecho o Reclamo por Compensación, apartado 13 del Acuerdo, en el cual se encuentra claramente descrito y establecido lo siguiente: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el Plan y la participación en el mismo es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía, así como su Subsidiaria o Filiales no son responsables por cualquier disminución en el valor de las Acciones en relación a las RSUs.

Finalmente, declara que no se reserva ninguna acción o derecho para interponer una demanda en contra de la Compañía por compensación, daño o perjuicio alguno como resultado de su participación en el Plan y, en consecuencia, otorga el más amplio finiquito al Empleador, así como a la Compañía, a su Subsidiaria o Filiales con respecto a cualquier demanda que pudiera originarse en virtud del Plan.

PHILIPPINES

Notifications

Securities Law Notification. This offer of RSUs is being made pursuant to an exemption from registration under Section 10.2 of the Philippines Securities Regulation Code that has been approved by the Philippines Securities and Exchange Commission.

Grantee should be aware of the risks of participating in the Plan, which include (without limitation) the risk of fluctuation in the price of Shares on the Nasdaq Global Select Market ("Nasdaq") and the risk of currency fluctuations between the U.S. Dollar and Grantee's local currency. In this regard, Grantee should note that the value of any Shares Grantee may acquire under the Plan may decrease, and fluctuations in foreign exchange rates between Grantee's local currency and the U.S. Dollar may affect the value of the RSUs or any amounts due to Grantee pursuant to the settlement of the RSUs, the subsequent sale of Shares acquired by Grantee upon settlement or the receipt of any dividends paid on such Shares. The Company is not making any representations, projections or assurances about the value of Shares now or in the future.

For further information on risk factors impacting the Company's business that may affect the value of Shares, Grantee should refer to the risk factors discussion in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at www.sec.gov, as well as on the Company's website at http://www. investors.sunpower.com. In addition, Grantee may receive, free of charge, a copy of the Company's Annual Report, Quarterly Reports or any other reports, proxy statements or communications distributed to the Company's stockholders by contacting the Stock Administration Department at the address below:

SunPower Corporation
Stock Plans Department
2900 Esperanza Crossing
Austin, TX 78758 U.S.A.
stock@sunpower.com
+1 512-735-0178

The sale or disposal of Shares acquired under the Plan may be subject to certain restrictions under Philippine securities laws. Those restrictions should not apply if the offer and resale of the Shares takes place outside the Philippines through the facilities of a stock exchange on which the Shares are listed. The Shares currently are listed on the Nasdaq in the United States of America. The Company's designated broker should be able to assist you in the sale of Shares. *Please consult with your legal advisor if you have questions with regard to the application of Philippines securities laws to the disposal or sale of Shares you acquired under the Plan*.

SINGAPORE

Notifications

Securities Law Information. The offer of the Plan is being made pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA") and is not made with a view to the RSUs or underlying Shares being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. Grantee should note that the Plan is subject to section 257 of the SFA and Grantee should not make any subsequent sale of the Shares in Singapore, or any offer of such subsequent sale of the Shares in Singapore, unless such sale or offer is made: (1) after six (6) months of the grant of the RSUs to Grantee; or (2) pursuant to the exemptions under Part XIII Division 1 Subdivision (4) (other than section 280) of the SFA.

CEO and Director Notification Requirement. The Chief Executive Officer ("CEO") and the Directors of a Singapore subsidiary of the Company are subject to certain notification requirements under the Singapore Companies Act. The Chief Executive Officer and the Directors must notify the Singapore subsidiary in writing of an interest (e.g., RSUs, Shares, etc.) in the Company or any related company within two business days of (i) its acquisition or disposal, (ii) any change in a previously-disclosed interest (e.g., upon vesting of the RSUs or when Shares acquired under the Plan are subsequently sold), or (iii) becoming the CEO / a director.

SOUTH AFRICA - ***Terms and Conditions***

Taxes and Withholding. The following supplements Section 15 of the Agreement:

By accepting the RSUs, Grantee agrees that, immediately upon vesting of the RSUs, Grantee will notify the Employer of the amount of any gain realized. If Grantee fails to advise the Employer of the gain realized upon vesting, Grantee may be liable for a fine. Grantee will be solely responsible for paying any difference between the actual liability for Tax-Related Items and the amount withheld.

Notifications

In compliance with South African securities laws, Grantee is hereby notified that the documents listed below are available for review on the Company's "Investor Relations" website at investors.sunpower.com and the Company's internal "Equity Awards" website at http://mysunpower/intranet:

1. a copy of the Company's most recent annual report (i.e., Form 10-K); and

2. a copy of the Plan Prospectus.

A copy of the above documents will be sent to Grantee free of charge on written request to SunPower Corporation, Attn: Stock Plans Department, 2900 Esperanza Crossing, Austin, TX 78758 U.S.A.

Grantee understands Grantee should carefully read the materials provided before making a decision whether to participate in the Plan. In addition, Grantee should contact his or her personal tax advisor for specific information concerning Grantee's personal tax situation with regard to Plan participation.

Exchange Control Notification. To participate in the Plan, Grantee must comply with exchange control rules in South Africa and neither the Company nor the Employer will be liable for any fines or penalties resulting from Grantee's failure to comply with applicable laws. The RSUs and the underlying Shares should not count towards the ZAR11,000,000 offshore investment limit as Grantee does not pay anything to receive them. However, because the exchange control regulations are subject to change, Grantee should consult Grantee's personal advisor prior to vesting of RSUs to ensure compliance with current regulations.

SPAIN

Terms and Conditions

Labor Law Acknowledgement. The following provision supplements Section 13 (Nature of Grant) of the Agreement:

In accepting the RSUs, Grantee consents to participation in the Plan and has received a copy of the Plan and the Agreement. Grantee understands and agrees that, as a condition of the grant of the RSUs, upon termination of Grantee's Service for any reason (except due to death and Total and Permanent Disability) prior to the vesting date will automatically result in the loss of the unvested RSUs that may have been granted to Grantee. In particular, Grantee understands and agrees that any unvested RSUs shall be forfeited without entitlement to the underlying Shares or to any amount as indemnification in the event of a termination of Grantee's Service for any reason, including, but not limited to: resignation, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without good cause (i.e., subject to a "*despido improcedente*"), individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer, or under Article 10.3 of Royal Decree 1382/1985.

Grantee understands that the Company has unilaterally, gratuitously and discretionally decided to grant RSUs under the Plan to eligible Employees, Consultants, or Outside Directors throughout the world. The decision is limited and entered into based upon the express assumption and condition that any RSUs will not economically or otherwise bind the Company or any Subsidiary or Affiliate, including the Employer, on an ongoing basis, other than as expressly set forth in the Agreement. Consequently, Grantee understands that the RSUs are granted on the assumption and condition that the RSUs shall not become part of any employment contract (whether with the Company or any Subsidiary or Affiliate, including the Employer) and shall not be considered a mandatory benefit, salary for any purpose (including severance compensation) or any other right whatsoever. Furthermore, Grantee understands and freely accepts that there is no guarantee that any benefit whatsoever shall arise from the grant of the RSUs, which is gratuitous and discretionary, since the future value of the RSUs and the underlying Shares is unknown and unpredictable. Grantee also understands that the grant of the RSUs would not be made but for the assumptions and conditions referred to above; thus, Grantee understands, acknowledges and freely accepts that, should any or all of the assumptions be mistaken or any of the conditions not be met for any reason, the RSUs and any right to the underlying Shares shall be null and void.

Notifications

Securities Law Notification. No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory with respect to the RSUs. No public offering prospectus has been, nor will be registered with the *Comisión Nacional del Mercado de Valores* (Spanish Securities Exchange Commission) ("***CNMV***"). Neither the Plan nor the Agreement constitute a public offering prospectus and they have not been, nor will be, registered with the CNMV.

Exchange Control Notification. To participate in the Plan, Grantee must comply with exchange control regulations in Spain. The acquisition, ownership and sale of Shares must be declared for statistical purposes to the *Dirección General de Comercio e Inversiones* (the "***DGCI***") of the Ministry of Economy and Competitiveness. Because Grantee will not purchase or sell the Shares through the use of a Spanish financial institution, Grantee must make the declaration him- or herself by filing a D-6 form with the DGCI. Generally, the D-6 form

must be filed each January while the Shares are owned or to report the sale of Shares.

When receiving foreign currency payments derived from the ownership of Shares (i.e., dividends or sale proceeds) exceeding €50,000, Grantee must inform the financial institution receiving the payment of the basis upon which such payment is made. Grantee will need to provide the institution with the following information: (i) Grantee's name, address, and fiscal identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment; (iv) the currency used; (v) the country of origin; (vi) the reasons for the payment; and (vii) any further information that may be required.

Foreign Asset / Account Reporting Requirement. Spanish residents are required to declare electronically to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the assets held in such accounts (e.g., Shares) if the value of the transactions during the prior tax year or the balances in such accounts as of December 31 of the prior tax year exceed €1,000,000. More frequent reporting is required if such transaction value or account balance exceeds €100,000,000. If neither the total balances nor total transactions with non-residents during the relevant period exceeds €50,000,000, then a summarized form of declaration may be used.

Further, Spanish residents must report assets and/or rights deposited outside Spain with a value in excess of €50,000 (for each type of asset) as of December 31 each year to the Spanish tax authorities in their annual tax return (tax form 720) for such year. After such rights are assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported asset increases by more than €20,000 or if the ownership of such asset or right is transferred or relinquished during the year.

The reporting must be completed by March 31. Failure to comply with this reporting requirement may result in penalties. Accordingly, Grantee should consult with his or her personal tax and legal advisors to ensure compliance with this reporting requirement.

SWITZERLAND

Notifications

Securities Law Information. The offer of the RSUs is considered a private offering in Switzerland and is therefore not subject to securities registration in Switzerland. Neither this document nor any other materials relating to the RSUs constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, and neither this document nor any other materials relating to the RSUs may be publicly distributed nor otherwise made publicly available in Switzerland.

TURKEY

Notifications

Securities Law Information. Under Turkish law, Grantee may not sell Shares acquired under the Plan in Turkey. The Shares are currently traded on the Nasdaq Global Select Market, which is located outside of Turkey, under the ticker symbol "SPWR" and the Shares may be sold through this exchange.

Exchange Control Information. Turkish residents are permitted to sell shares traded on a non-Turkish stock exchange only through a financial intermediary licensed in Turkey. Grantee may be required to appoint a Turkish broker to assist with the sale of the Shares acquired under the Plan. Grantee should consult with his or her personal legal advisor before selling any Shares acquired under the Plan to confirm if this requirement applies.

UNITED ARAB EMIRATES

Notifications

Securities Law Notification. The Plan is only being offered to eligible Employees and is in the nature of providing equity incentives to Employees of the Company or a Subsidiary or Affiliate residing or working in the United Arab Emirates. The Plan and the Award Agreement are intended for distribution only to such Employees and must not be delivered to, or relied on by, any other person. Prospective acquirers of the securities offered should conduct their own due diligence on the securities.

The Emirates Securities and Commodities Authority and any other relevant securities/economic authorities have no responsibility for reviewing or verifying any documents in connection with the Plan.

UNITED KINGDOM

Terms and Conditions

Taxes and Withholding. The following supplements Section 15 of the Agreement:

If payment or withholding of the taxes is not made within ninety (90) days of the end of the U.K. tax year in which the event giving rise to the taxes occurs or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the "***Due Date***"), the amount of any uncollected taxes shall constitute a loan owed by Grantee to the Employer, effective as of the Due Date. Grantee agrees that the loan will bear interest at the then-current official rate of Her Majesty's Revenue & Customs ("***HMRC***"), it will be immediately due and repayable, and the Company or the Employer may recover it at any time thereafter by any of the means referred to in Section 15 of the Agreement.

Notwithstanding the foregoing, if Grantee is a director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), Grantee shall not be eligible for a loan from the Company to cover the taxes due. In the event that Grantee is a director or executive officer and taxes are not collected from or paid by Grantee by the Due Date, the amount of any uncollected taxes may constitute a benefit to Grantee on which additional income tax and National Insurance contributions ("***NICs***") (including Employer NICs, as defined below) may be payable. Grantee understands that he or she will be responsible for reporting any income tax due on this additional benefit directly to HMRC under the self-

assessment regime and for paying to the Company or the Employer, as applicable, for the value of any employee NICs due on this additional benefit, which Grantee agrees the Company or the Employer, as applicable, may recover from Grantee by any means referred to in Section 15 of the Agreement.

Payable Only in Shares. Notwithstanding any discretion in the Plan, the grant of RSUs does not provide any right for Grantee to receive a cash payment, and the RSUs are payable only in Shares.

Joint Election for Transfer of the Employer's Secondary Class 1 NICs Liability to Grantee. As a condition of participation in the Plan and the vesting of the RSUs, Grantee agrees to accept any liability for secondary Class 1 NICs which may be payable by the Company and/or the Employer in connection with the RSUs and any event giving rise to Tax-Related Items (the "***Employer NICs***"). Without limitation to the foregoing, Grantee agrees to enter into an election between himself/herself and the Company or the Employer in the form approved by HMRC (the "***Joint Election***") and any other consent or election required to accomplish the transfer of Employer NICs to Grantee. Grantee understands that the Joint Election applies to any RSUs granted to him/her under the Plan after the execution of the Joint Election. Grantee further agrees to execute such other joint elections as may be required between him/her and any successor to the Company and/or the Employer. Grantee further agrees that the Company and/or the Employer may collect the Employer NICs from him or her by any of the means set forth in Section 15 of the Agreement.

If Grantee does not enter into a Joint Election prior to vesting of the RSUs, he/she will not be entitled to vest in the RSUs unless and until he/she enters into a Joint Election and no Shares will be issued to Grantee under the Plan, without any liability to the Company and/or the Employer.

SUNPOWER

SUNPOWER CORPORATION

NOTICE OF GRANT OF RESTRICTED STOCK UNITS

Employee Name: <first_name> <last_name>
Employee ID: <emp_id>
Award Number: <award_id>

Congratulations! In recognition of your valued contributions to the company, SunPower Corporation hereby grants to you a restricted stock unit ("***RSU***") award to give you the opportunity to share in SunPower's success. The RSU is granted pursuant to the terms of the SunPower Corporation 2015 Omnibus Incentive Plan, as amended from time to time (the "***Plan***").

Effective <award_date>, you have been granted <shares_awarded> RSUs. Each RSU represents the right to receive one share of SunPower Corporation common stock. Provided you remain employed with SunPower Corporation or one of its subsidiaries through each applicable vest date, the RSUs will vest in increments as follows:

RSUs	Vest Date
<vesting_schedule>	

The grant of RSUs is subject to all of the terms and conditions set forth in this Notice of Grant of Restricted Stock Units ("***Notice of Grant***"), the Restricted Stock Unit Agreement, including the Appendix, which sets forth any applicable country-specific terms (together, the "***Agreement***") and the Plan (collectively, the "***Grant Terms***"), all of which are incorporated herein by reference.

By your acceptance, you agree to be bound by the Grant Terms. You agree that you have reviewed and fully understand all of the provisions of the Grant Terms in their entirety and have had the opportunity to obtain advice of counsel prior to executing/accepting this Notice of Grant. You agree to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Grant Terms. Capitalized terms used in this Notice of Grant or in the Agreement without definition shall have the meanings ascribed to them in the Plan.

You must accept this Award no later than December 31 of the calendar year in which the RSUs were granted or this Award shall be rendered void and without effect.

You further agree that SunPower Corporation may deliver by e-mail all documents relating to the Plan or this Award (including without limitation, prospectuses required under applicable law) and all other documents that SunPower Corporation is required to deliver to its security holders (including without limitation, annual reports and proxy statements). You also agree that SunPower Corporation may deliver these documents by posting them on a website maintained by SunPower Corporation or by a third party under contract with SunPower Corporation. If SunPower Corporation posts these documents on a website, it will notify you by e-mail.

Thank you for your contributions to SunPower Corporation. You are a valued member of the SunPower team and we look forward to our continued future success!

The securities you may receive pursuant to your award are registered under the Securities Act of 1933, as amended. Please refer to the Prospectus provided to you in connection with your equity award for a complete description of the plan governing your stock award. You may obtain a copy of the Prospectus, the Registration Statement or a copy of any other filing we have made with the U.S. Securities and Exchange Commission at www.sec.gov.

If you have been notified by SunPower Corporation that you are subject to SunPower Corporation's trading window, you are prohibited from trading in shares of SunPower Corporation company stock when the trading window is closed. Regardless of the trading window, **you are prohibited from trading in SunPower Corporation company stock at any time you are in possession of material non-public information.** Please contact the Corporate Legal Department with any questions.

SUNPOWER

SUNPOWER CORPORATION 2015 OMNIBUS INCENTIVE PLAN

OUTSIDE DIRECTORS

NOTICE OF GRANT OF RESTRICTED STOCK UNITS

SunPower Corporation, a Delaware corporation (the "***Company***"), pursuant to its SunPower Corporation 2015 Omnibus Incentive Plan, as amended from time to time (the "***Plan***"), and its Outside Director Compensation Policy effective as of June 15, 2011 (the "***Policy***"), hereby grants to the individual listed below ("***Grantee***"), who is an Outside Director, the number of Restricted Stock Units ("***RSUs***") set forth below with respect to the Company's shares of Common Stock (the "***Shares***"). The grant of RSUs is subject to all of the terms and conditions set forth in this Notice of Grant of Restricted Stock Units (the "***Notice of Grant***"), the attached Restricted Stock Unit Agreement, including any applicable country-specific provisions in the Appendix thereto (together, the "***Agreement***"), the Plan, and the Policy, all of which are incorporated herein by reference. Capitalized terms used in this Notice of Grant and/or the Agreement without definition shall have the meanings assigned to them in the Plan.

Name of Grantee:

Date of Grant:

Number of RSUs Granted:

Grant Number:

Vesting Schedule:

By Grantee's electronic acceptance, Grantee agrees to be bound by the terms and conditions of the Plan, the Vesting Schedule, this Notice of Grant, and the Agreement, including the Appendix' (if any). Grantee has reviewed and fully understands all of the provisions of the Plan, the Vesting Schedule, this Notice of Grant and the Agreement, including the Appendix (if any), in their entirety, and has had the opportunity to obtain advice of counsel prior to executing this Notice of Grant. Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Board upon any questions relating to the Plan, the Vesting Schedule, this Notice of Grant and the Agreement, including the Appendix (if any).

Grantee further agrees that the Company may deliver by e-mail all documents relating to the Plan or this Award (including, without limitation, prospectuses required under applicable law) and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements). Grantee also agrees that the Company may deliver these documents by posting them on a website maintained by the Company or by a

third party under contract with the Company. If the Company posts these documents on a website, it will notify Grantee by e-mail.

Grantee must print, sign & deliver the signed copy of this Notice of Grant to: Attn: Stock Plan Services, c/o SunPower Corporation, 2900 Esperanza Crossing, 2nd Floor, Austin, TX 78758.

Signature: _____ Date:_____

Name: _____

SUNPOWER

SUNPOWER CORPORATION 2015 OMNIBUS INCENTIVE PLAN

OUTSIDE DIRECTORS

RESTRICTED STOCK UNIT AGREEMENT

1.	**Grant**	Pursuant to the Notice of Grant of Restricted Stock Units (the "***Notice of Grant***") to which this Restricted Stock Unit Agreement (the "***Agreement***") is attached, SunPower Corporation, a Delaware corporation (the "***Company"***), has granted to Grantee the right to receive the number of Restricted Stock Units ("***RSUs***") under the SunPower Corporation Outside Director Compensation Policy effective as of June 15, 2011 (the "***Policy***"), as set forth in the Notice of Grant. The term "***Restricted Stock Units***" shall have the same meaning ascribed to the term "***Stock Units***" in the Plan. Capitalized terms used in this Agreement without definition shall have the meanings ascribed to them in the Notice of Grant or the Plan.
2.	**Vesting and Payment of RSUs**	The RSUs covered by this Agreement shall be fully vested and non-forfeitable on the Date of Grant of said RSUs. The RSUs shall be settled in accordance with Section 3 (Form and Time of Payment of RSUs).
3.	**Form and Time of Payment of RSUs**	Payment for the RSUs shall be made in form of whole shares of Common Stock (the "***Shares***"), with any fractional amounts due to Grantee under the terms of the Policy paid in cash. Such Shares shall be delivered to Grantee as soon as practicably possible, but in any event within seven (7) days following the Date of Grant.
4.	**No Dividend Equivalents**	Grantee shall not be entitled to dividend equivalents.
5.	**Grant is Not Transferable**	Subject to the provisions of Section 10(f) of the Plan, neither the RSUs granted hereby nor any interest therein or in the Shares related thereto shall be transferable other than by will or the laws of descent and distribution prior to payment of the RSUs.
6.	**Adjustments**	In the event of a stock split, a stock dividend or a similar change in Common Stock or other capitalization adjustment contemplated in Section 11(a) of the Plan, the number of RSUs

subject to this Agreement shall be adjusted pursuant to the Plan.

7. Compliance with Section 409A of the Code

For U.S. taxpayers, it is intended that the vesting and the payments of RSUs set forth in this Agreement shall qualify for exemption from the application of Section 409A of the United States Internal Revenue Code of 1986, as amended (the "Code"), and any ambiguities herein will be interpreted to so comply. The Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify this Agreement as may be necessary to ensure that all vesting and/or payments provided under this Agreement are made in a manner that qualifies for exemption from or complies with Section 409A of the Code; provided, however, that the Company makes no representation that the vesting or payments of RSUs provided under this Agreement will be exempt from Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to the vesting and/or payment of Restricted Stock Units provided under this Agreement.

8. No Service Contract

Except as set forth in the Policy, Grantee has no contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past. The grant of the RSU is not intended to create a service contract with the Company or any Subsidiary or Affiliate.

9. Retention Rights

Neither the Award nor this Agreement gives Grantee the right to be retained by the Company, a Subsidiary or an Affiliate in any capacity. Except as otherwise provided by agreement, the Company reserves the right to terminate Grantee's Service at any time, with or without cause.

10. Nature of Grant

In accepting the grant, Grantee acknowledges that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and it may be modified, amended, suspended or terminated by the Company at any time as set forth in the Plan;

(b) all decisions with respect to future RSU grants, if any, will be at the sole discretion of the Company;

(c) Grantee is voluntarily participating in the Plan;

(d) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(e) the RSU grant and Grantee's participation in the Plan will not be interpreted to form an employment

contract or employment relationship with the Company or a Subsidiary or Affiliate;

(f) unless otherwise agreed with the Company, the RSUs and the Shares subject to the RSUs, and the income and value of same, are not granted as consideration for, or in connection with, any service Grantee may provide as a director of a Subsidiary or Affiliate;

(g) Grantee is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the Plan;

(h) the RSUs and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability;

(i) the RSUs and the Shares subject to the RSUs, and the income and value of same, are not intended to replace pension rights, if any;

(j) for Grantees who reside outside the U.S., Grantee acknowledges and agrees that neither the Company, nor any other Subsidiary or Affiliate shall be liable for any foreign exchange rate fluctuation between Grantees local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to Grantee pursuant to the vesting of the RSUs or the subsequent sale of any Shares acquired at vesting.

11. Address for Notices

Any notice to be given to the Company under the terms of this Agreement will be addressed to the Company at 1414 Harbour Way South, Richmond, California 94804 U.S.A., Attn: Magali Salomon, Equity Manager, Stock Administration, or at such other address as the Company may hereafter designate in writing or electronically.

12. Taxes and Withholding

(a) Grantee acknowledges that, regardless of any action the Company or a Subsidiary or Affiliate takes with respect to any or all income tax, social insurance, fringe benefits tax, payroll tax, payment on account or other tax-related items related to Grantee's participation in the Plan and legally applicable to Grantee or deemed by the Company or a Subsidiary or Affiliate in their reasonable discretion to be an appropriate charge to Grantee even if legally applicable to the Company or a Subsidiary or Affiliate ("Tax-Related Items"), the ultimate liability for all Tax-Related Items is and remains Grantee's responsibility and may exceed the amount actually withheld by the Company or a Subsidiary or Affiliate (if any). Grantee further acknowledges that the Company and/or a Subsidiary or Affiliate (i) make no representations or undertakings regarding the treatment of any

Tax-Related Items in connection with any aspect of the RSUs, including, without limitation, the grant, vesting or settlement of the RSUs, the issuance of Shares, the subsequent sale of Shares acquired pursuant to such issuance; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, Grantee acknowledges that if Grantee is subject to tax in more than one jurisdiction, Grantee, the Company and/or a Subsidiary or Affiliate may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to any relevant taxable or tax withholding event, as applicable, Grantee will pay or make adequate arrangements satisfactory to the Company and/or a Subsidiary or Affiliate to satisfy all Tax-Related Items (if any). Unless otherwise determined by the Board, if there is a Tax-Related Items withholding obligation, such obligation shall be satisfied by the retention by the Company of Shares otherwise deliverable pursuant to this Award; provided, however, that the Shares retained for payment of the Tax-Related Items must satisfy the minimum tax withholding amount permissible under the method that results in the least amount withheld. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, Grantee is deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of Grantee's participation in the Plan.

(c) In the alternative and subject to the authorization of the Board, Grantee agrees that the Company and/or a Subsidiary or Affiliate, or their respective agents, at their discretion, may satisfy any applicable obligations with regard to all Tax-Related Items by one or a combination of the following:

(i) withholding from cash compensation paid to Grantee pursuant to the Policy; or

(ii) withholding from proceeds of the sale of Shares acquired upon vesting/settlement of the RSUs through a voluntary sale or through a mandatory sale arranged by the Company (on Grantee's behalf pursuant to this authorization).

(d) Grantee shall pay to the Company or a Subsidiary or Affiliate any amount of Tax-Related Items that the Company or a Subsidiary or Affiliate may be required to withhold or account for as a result of Grantee's participation in the Plan that cannot be satisfied by the means described in this Section 12 (Taxes and Withholding).

13. Plan/Policy Govern

This Agreement and the Notice of Grant are subject to all terms and provisions of the Plan and the Policy. In the event of a conflict between one or more provisions of this Agreement or the Notice of Grant and one or more provisions of the Plan and the Policy, the provisions of the Plan and the Policy will govern.

14. Board Authority

The Board will have the power to interpret the Plan, the Policy, and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan and the Policy as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Board in good faith will be final and binding upon Grantee, the Company and all other interested persons. No member of the Board will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, the Policy or this Agreement.

15. Data Privacy Notice and Consent

This Section 15 (Data Privacy Notice and Consent) applies to Grantee only if Grantee resides outside of the U.S. Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Grantee's personal data as described in this Agreement and any other RSU grant materials by and among, as applicable, the Company and its Subsidiaries and Affiliates for the exclusive purpose of implementing, administering and managing Grantee's participation in the Plan.

Grantee understands that the Company and its Subsidiaries and Affiliates may hold certain personal information about Grantee, including, without limitation, Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number (e.g., resident registration number), salary, nationality, job title, any Shares or directorships held in the Company, details of all RSUs or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Grantee's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

Grantee understands that Data will be transferred to Charles Schwab and any other third party assisting in the implementation, administration and management of the Plan.

Grantee understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than Grantee's country. If Grantee resides outside the U.S., Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting Grantee's local human resources representative. Grantee authorizes the Company, Charles Schwab and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing Grantee's participation in the Plan. Grantee understands that Data will be held only as long as is necessary to implement, administer and manage Grantee's participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom any Shares issued upon vesting of RSUs may be deposited. Grantee understands that Grantee may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Grantee's local human resources representative. Grantee understands, however, that refusing or withdrawing Grantee's consent may affect Grantee's ability to participate in the Plan. For more information on the consequences of Grantee's refusal to consent or withdrawal of consent, Grantee understands that Grantee may contact the Company.

16. Amendments

Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment shall materially and adversely affect the rights of Grantee under this Agreement without Grantee's consent.

17. Severability

If any provision of this Agreement or the application of any provision hereof to any person or circumstances is held invalid or unenforceable, the remainder of this Agreement and the application of such provision in any other person or circumstances shall not be affected, and the provisions so held to be invalid or unenforceable shall be reformed to the extent (and only to the extent) necessary to make it enforceable and valid.

18.	**Successors and Assigns**	Without limiting Section 5 (Grant is Not Transferable) hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of Grantee, and the successors and assigns of the Company.
19.	**Governing Law & Venue**	This Agreement shall be governed by and construed in accordance with the internal substantive laws of the State of Delaware, without giving effect to any principle of law that would result in the application of the law of any other jurisdiction. For purposes of litigating any dispute that arises under this grant or this Agreement, the parties hereby submit to and consent to the jurisdiction of the State of California, and agree that such litigation will be conducted in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this Agreement is made and/or to be performed.
20.	**No Advice Regarding Award**	The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendation regarding Grantee's participation in the Plan or the acquisition or sale of underlying Shares. Grantee should consult with his or her personal tax, legal, and financial advisors regarding the decision to participate in the Plan before taking any action related to the Plan.
21.	**Electronic Delivery and Participation**	The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
22.	**Language**	If Grantee has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.
23.	**Appendix**	Notwithstanding any provisions in this Agreement, the RSU grant shall be subject to any special terms and conditions for Grantee's country, if any, as set forth in the Appendix to this Agreement. Moreover, if Grantee relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to Grantee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. This Appendix constitutes part of this Agreement.

24.	**Imposition of Other Requirements**	The Company reserves the right to impose other requirements on Grantee's participation in the Plan, on the RSU and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.
25.	**Waiver**	Grantee acknowledges that a waiver by the Company of breach of any provision of the Agreement shall not operate or be construed as a waiver of any other provision of the Agreement or of any subsequent breach by Grantee or any other grantee.
26.	**Insider Trading Restrictions / Market Abuse Laws**	Grantee acknowledges that, Grantee may be subject to insider trading restrictions and/or market abuse laws, which may affect Grantee's ability to acquire or sell Shares or rights to Shares (*e.g.*, RSUs) under the Plan during such times as Grantee is considered to have "inside information" regarding the Company (as defined by the laws in Grantee's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Grantee acknowledges that it is his or her responsibility to comply with any applicable restrictions, and Grantee should consult his or her personal advisor on this matter.
27.	**Foreign Asset/Account Reporting; Exchange Control**	Grantee's country may have certain foreign asset and/or account reporting requirements and/or exchange controls which may affect Grantee's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside Grantee's country. Grantee may be required to report such accounts, assets or transactions to the tax or other authorities in Grantee's country. Grantee also may be required to repatriate sale proceeds or other funds received as a result of participation in the Plan to Grantee's country through a designated bank or broker and/or within a certain time after receipt. Grantee acknowledges that it is Grantee's responsibility to be compliant with such regulations and that Grantee should consult his or her personal legal advisor on this matter.

[Date]

[Name]
[Address 1]
[Address 2]

Re: Restricted Stock Unit Award of SunPower Corporation (the "Company")

Dear [Name]:

Should you accept the offer to become an employee of [name of SunPower subsidiary] (the "***Employer***"), we will recommend to the Company's board of directors that you be granted an award of [number of RSUs] restricted stock units ("***RSUs***") granted under and subject to the terms and conditions of the Company's 2015 Omnibus Incentive Plan, as amended and restated from time to time (the "***Plan***"), as well as the terms and conditions of the applicable RSU agreement.

The RSUs will vest and become non-forfeitable (assuming your continued employment with the Company or one of its subsidiaries on each vesting date) in accordance with the vesting schedule set forth in your RSU agreement. A copy of the Plan and the RSU agreement, with any country-specific sub-plan or appendix, will be provided to you as soon as practicable after the grant date. You will be required to sign or accept, in accordance with the Company's acceptance procedures, the RSU agreement provided to you in connection with this grant. You also agree to sign or accept any other agreements or documents provided by the Company that may be required under U.S. or local laws to receive the RSUs and any shares under the Plan.

Please note the Company can make the RSU grant to you only if and as long as it is permitted and feasible under the laws of the country in which you reside or to whose laws you may be subject. If local laws make the RSU grant illegal or impractical, the Company will let you know as soon as possible.

If an RSU grant is made to you, you will be responsible for complying with any applicable legal requirements in connection with your participation in the Plan and for any tax or social insurance contribution obligations arising from the RSUs and the shares acquired under the Plan, including any employer obligations that the Company has determined may legally be transferred to you and regardless of any tax or social insurance contribution withholding and/or reporting obligation of the Company or the Employer. You acknowledge that if RSUs are granted to you, the Company or your Employer may be required to withhold taxes and/or to report the income, but the ultimate responsibility to pay any taxes due on the income belongs to you. **You agree to seek advice from your personal accountant or tax advisor at your own expense regarding the tax and other legal implications of any RSUs granted to you.**

Furthermore, the RSUs, as well as any shares acquired under the Plan, are additional benefits awarded by the Company, not by the Employer or any of the Company's other subsidiaries. Therefore, the RSUs, as well as any shares acquired under the Plan, are not part of your employment relationship with the Employer and are completely separate from your salary or any other remuneration or benefits provided to you by the Employer. This means that any gain you realize from the RSUs will not be included if or when any benefits that you may receive from the Employer are calculated, including but not limited to bonuses, severance payments or similar termination compensation or indemnity, payments during a notice period or payments in lieu of notice.

You should be aware that the Plan is discretionary in nature, and the Company, in its sole discretion, may suspend, modify, cancel or terminate the Plan at any time without any compensation to you. If the Company decides to change or terminate the Plan, you will not have any claims against the Company to receive RSUs or any other benefits equivalent to RSUs. You acknowledge that the Company is not obligated to continue to grant RSUs or any other benefits to you. You further acknowledge that your participation in the Plan is entirely voluntary, the benefits afforded under the Plan do not form an employment contract with the Company, the Employer or any of the Company's subsidiaries, and the grant of the RSUs is a one-time benefit which will not give you a right to any future grants under the Plan.

You understand that, in order for the Company to administer the RSUs, the Company and your employer must collect, process and transfer certain personal data. By signing this letter, you agree to the collection, processing and transfer of your personal data, as described in the attached appendix. Further, the Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company.

Finally, all disputes arising under or relating to the grant of the RSUs or the provisions of this letter shall be governed by and construed in accordance with U.S. federal and California state law (but not including any conflict of law rules thereof). For purposes of litigating any dispute that arises directly or indirectly from the RSU grant or the provisions of this letter, you and the Company hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where the RSU grant, if any, shall be made and/or is to be performed.

By signing and returning this letter, you acknowledge and agree to all of the terms and conditions contained herein.

Sincerely,

[Name]
[Title], SunPower Corporation

ACKNOWLEDGED AND AGREED:

_____
[Name]

_____
Date

APPENDIX

By signing the letter to which this appendix is attached, you agree to the additional terms and conditions set forth in this appendix. Capitalized terms used in this appendix shall have the meaning ascribed to such terms in the letter.

You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data by and among, as applicable, the Company, your employer and the Company's other subsidiaries and affiliates for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company, your employer and the Company's other subsidiaries and affiliates may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all RSUs or any other entitlement to shares of stock awarded, canceled, vested, unvested or outstanding in your favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

You understand that Data may be transferred to a broker or other stock plan service provider, which may be assisting the Company (presently or in the future) with the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that if you reside outside the United States, you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service and career with your employer will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company may not be able to grant RSUs to you or administer or maintain such RSUs. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

SUNPOWER

SUNPOWER CORPORATION 2015 OMNIBUS INCENTIVE PLAN

NOTICE OF GRANT OF

PERFORMANCE-BASED RESTRICTED STOCK UNITS

SunPower Corporation, a Delaware corporation (the "***Company***"), pursuant to its SunPower Corporation 2015 Omnibus Incentive Plan, as amended from time to time (the "***Plan***"), hereby grants to the individual listed below ("***Grantee***") the number of performance-based Restricted Stock Units ("***PSUs***") set forth below with respect to the Company's shares of Common Stock (the "***Shares***"). The grant of PSUs is subject to all of the terms and conditions set forth in this Notice of Grant of Performance-Based Restricted Stock Units (the "***Notice of Grant***"), the Summary of Qualifying Performance Goals, attached hereto as Exhibit A, the attached Restricted Stock Unit Agreement, including any applicable country-specific provisions in the Appendix thereto (together, the "***Agreement***"), and the Plan, all of which are incorporated herein by reference. Capitalized terms used in this Notice of Grant, including Exhibit A, and the Agreement without definition shall have the meanings assigned to them in the Plan.

Name:	<first_name> <last_name>
Date of Grant:	<award_date>
Number of PSUs Granted:	[insert target award] PSUs ("***Target Award***") have been granted. As further described below, the number of PSUs that vest shall be based in part on achievement of certain milestones, up to the Maximum Award, as defined in Exhibit A.
Award Number:	<award_id>
Vesting Schedule:	The PSUs subject to this Notice of Grant shall vest in equal one-third increments on March 1st each year, with the first vesting being March 1st, [insert], (i) subject to your continuous Service through the applicable vesting date with respect to the corresponding installment and (ii) based upon the Company's [insert] results as compared to the Qualifying Performance Goals, as described on Exhibit A, as certified by the Committee in accordance with the requirements mandated under Section 162(m) of the Code.
Termination of Service:	Notwithstanding anything to the contrary in Exhibit A or the Agreement, if Grantee's Service with the Company or one of its Subsidiaries or Affiliates

terminates due to death or Total and Permanent Disability, the number of PSUs subject to the Target Award will vest as of the date of termination if the termination occurs on or prior to the last day of the Performance Period, and the number of PSUs that become eligible to vest based on actual attainment of the Qualifying Performance Goals will vest as of the date of termination if the termination occurs following the last day of the Performance Period, and any remaining PSUs subject to the Maximum Award will be forfeited.

Expiration Date: N/A

By Grantee's signature below, Grantee agrees to be bound by the terms and conditions of the Plan, this Notice of Grant, which includes Exhibit A (the Summary of Qualifying Performance Objectives) and the Agreement. Grantee has read and fully understands the provisions of the Plan, this Notice of Grant, including Exhibit A, and the Agreement in their entirety, and has had the opportunity to obtain advice of counsel prior to executing this Notice of Grant. Grantee hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Committee upon any questions relating to the Plan, this Notice of Grant, including Exhibit A, and the Agreement.

Grantee further agrees that the Company may deliver by e-mail all documents relating to the Plan or this Award (including without limitation, prospectuses required under applicable law) and all other documents that the Company is required to deliver to its security holders (including without limitation, annual reports and proxy statements). Grantee also agrees that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it will notify Grantee by e-mail.

* * * * *

Grantee must sign and return this Notice of Grant to Attn: SunPower Stock Plan Services, SunPower Corporation, 2900 Esperanza Crossing, 2nd Floor, Austin, Texas 78758 U.S.A. If Grantee fails to do so, then the Award described hereunder will be deemed null and void.

GRANTEE:

Signature: _____ Date: _____

Name: <first_name> <last_name>

EXHIBIT A

Summary of Qualifying Performance Goals

Performance Period: Fiscal year [insert].

Qualifying Performance Goals: For the Performance Period, the target goals for the Qualifying Performance Criteria are as follows:

[INSERT PERFORMANCE GOALS AND RELATED ADJUSTMENTS]

Target PSU Awards: The Notice of Grant identifies the number of PSUs that are subject to the Target Award, which represents the total number of PSUs that are eligible to vest if the Qualifying Performance Goals are achieved at the Target level; however, the total number of PSUs that are eligible for vesting may exceed the number of PSUs subject to the Target Award if actual performance exceeds the Qualifying Performance Goals, up to the number of PSUs subject to the Maximum Award (which is also set out in the Notice of Grant).

Minimum Performance Attainment: [insert]

Maximum Award: In no event shall the aggregate number of PSUs that are eligible to vest exceed [insert]% of the number of PSUs subject to the Target Award.

Qualifying Performance Goal Certification: The Committee shall determine and certify in accordance with the requirements of Section 162(m) of the Code the extent, if any, to which the Qualifying Performance Goals have been attained. The Committee shall have the discretion to reduce or eliminate any payment under the PSUs, but may not increase the number of PSUs that may be paid as a result of the performance as measured against the Qualifying Performance Goals.

Performance Adjustment Factor: Attainment of the Qualified Performance Goals will be calculated as follows:

Achievement	Performance Adjustment Factor
Below minimum	No PSUs
At minimum	[insert]%
Between minimum and target	Prorated on a straight line basis, between [insert]% and [insert]%
At target	[insert]% of target award
Between target and maximum	Prorated on a straight line basis, between [insert]% and [insert]%
At or above maximum	[insert]% of target award

Calculation of Number of PSUs that are Eligible for Vesting: The number of PSUs that are eligible to vest upon satisfaction of the time-based vesting criteria will be calculated based on the Performance Adjustment Factor, as described below.

[insert]

Vesting Criteria: PSUs vest in three equal installments (one-third on March 1st each year, with the first vesting date being March 1, [insert]), (i) subject to Grantee’s continuous Service (as defined in the Plan), AND (ii) based upon the Total Number of PSUs Eligible to Vest, as described above.

APPENDIX - 2

Timing of Qualifying Performance Goal Certification: Within two and one-half months following the Performance Period, the Committee will certify in accordance with the requirements of Section 162(m) the extent to which the Qualifying Performance Goals were achieved and the number of PSUs, if any, that are eligible to vest based on the formulas described above, and subject to the three-year time-based vesting requirement described above.

APPENDIX - 3

EXHIBIT 31.1

CERTIFICATIONS

I, Thomas H. Werner, certify that:

1 I have reviewed this Quarterly Report on Form 10-Q of SunPower Corporation;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5 The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2016

/S/ THOMAS H. WERNER

Thomas H. Werner

President, Chief Executive Officer and Director

(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATIONS

I, Charles D. Boynton, certify that:

1 I have reviewed this Quarterly Report on Form 10-Q of SunPower Corporation;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5 The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2016

/S/ CHARLES D. BOYNTON

Charles D. Boynton
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of SunPower Corporation (the "Company") on Form 10-Q for the period ended April 3, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of Thomas H. Werner and Charles D. Boynton certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge and belief:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 5, 2016

/S/ THOMAS H. WERNER

Thomas H. Werner
President, Chief Executive Officer and Director
(Principal Executive Officer)

/S/ CHARLES D. BOYNTON

Charles D. Boynton
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure statement.