
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): January 17, 2007 (January 10, 2007)

SunPower Corporation

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-51593
(Commission File Number)

94-3008969
(I.R.S. Employer
Identification Number)

3939 North First Street, San Jose, California 95134
(Address, Including Zip Code, of Principal Executive Offices)

(408) 240-5500
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address,
if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Section 1 – Registrant’s Business and Operations

Item 1.01. Entry into a Material Definitive Agreement.

On January 10, 2007, as described in more detail in Item 2.01 below, SunPower Corporation (“SunPower” or the “Company”) completed the previously announced merger transaction (the “Merger”) involving the Company, Pluto Acquisition Company LLC, a Delaware limited liability company and a wholly owned subsidiary of the Company (“Merger Sub”), and PowerLight Corporation, a California corporation (“PowerLight”). As a result of the completion of the Merger, PowerLight has become a wholly owned subsidiary of SunPower. SunPower currently expects to operate PowerLight as a stand alone business unit, and it will retain its own facilities and management team within the overall SunPower reporting structure.

In connection with the completion of the transactions contemplated by the agreement governing the Merger (the “Merger Agreement”), the board of directors (the “Board”) of the Company authorized the Company to enter into indemnification agreements with each of Thomas L. Dinwoodie, Howard J. Wenger and Bruce R. Ledesma, who were appointed by the Board as executive officers of the Company upon the completion of the Merger. The indemnification agreements authorized by the Board to be entered into are in a form substantially similar to the indemnification agreements currently in effect for individuals who served as the officers and directors of the Company prior to the Merger, the form of which has previously been filed with the Securities and Exchange Commission (the “Commission”). This form of indemnification agreement generally provides that the Company will indemnify a party to the agreement against all expenses, judgments, fines, penalties and other amounts paid in connection with third party proceedings, and against all expenses and, to the extent permitted by law, amounts paid in settlement actually and reasonably incurred in a proceeding by or in the right of the Company, in each case if the indemnitee acted in good faith and in a manner in which such indemnitee believed to be in, or not opposed to, the best interests of the Company.

Section 2 – Financial Information

Item 2.01. Completion of Acquisition or Disposition of Assets.

On January 10, 2007, SunPower completed the previously announced Merger involving the Company, Merger Sub and PowerLight. As a result of the Merger, PowerLight has become a wholly owned subsidiary of SunPower.

Upon the completion of the Merger, all of the outstanding shares of PowerLight, and a portion of each vested option to purchase shares of PowerLight, were cancelled, and all of the outstanding options to purchase shares of PowerLight (other than the portion of each vested option that was cancelled) were assumed, by SunPower, in exchange for aggregate consideration of (i) approximately \$120.7 million in cash plus (ii) a total of 5,708,723 shares of SunPower’s class A common stock, inclusive of (a) 1,601,839 shares of SunPower class A common stock which may be issued upon the exercise of assumed vested and unvested PowerLight stock options, which options vest on the same schedule as the assumed PowerLight stock options, and (b) 1,675,881 shares of SunPower class A common stock issued to employees of the PowerLight business in the Merger, which shares are subject to certain transfer restrictions and a repurchase option by the Company, both of which lapse over a two-year period under the terms of certain

equity restriction agreements described in more detail in Item 5.02 below. The Company is also obligated under the terms of the Merger Agreement to issue an additional 200,841 shares of restricted SunPower class A common stock (such shares, the “Bonus Pool”) to certain employees of the PowerLight business, which shares will be subject to certain transfer restrictions which will lapse over 4 years.

PowerLight is a leading global provider of large-scale solar power systems. PowerLight designs, assembles, markets and sells solar electric power system technology that integrates solar cells and panels from SunPower and other suppliers to convert sunlight to electricity compatible with the utility network. PowerLight also sells customers solar power systems on a turnkey basis by developing, engineering, procuring permits and equipment for, managing construction of, offering access to financing for, and providing monitoring, operations and maintenance services for large-scale roof-mounted and ground-mounted solar power applications. PowerLight’s customers include industrial, commercial and public sector entities, investors, utilities and production home builders.

PowerLight is expected to constitute a significant part of the SunPower business on a going-forward basis. SunPower considered a number of factors, both positive and negative, in its analysis of the Merger. SunPower decided to enter into the Merger Agreement in view of all of these factors, including the potential business synergies, accelerated product innovation and cost savings that are anticipated to result from the proposed merger, including faster time to market with new products, research and development savings and efficiencies and supply chain management efficiencies. The management teams of the two companies are working actively on integration plans with the goal of promoting synergies and collaboration among the management, product development and sales and marketing teams of SunPower and PowerLight.

A press release announcing the completion of the Merger is attached hereto as Exhibit 99.1 and is incorporated herein by this reference.

Section 3 – Securities and Trading Markets

Item 3.02 Unregistered Sales of Equity Securities.

The information set forth in Item 2.01 of this Current Report on Form 8-K with respect to the issuance of shares of SunPower’s class A common stock in connection with the completion of the Merger is incorporated into this Item 3.02 by this reference.

The above-described issuance of shares of SunPower’s class A common stock has been made in reliance upon Rule 506 of Regulation D under the Securities Act of 1933, as amended. SunPower believes that the offering satisfied the terms and conditions set forth in Rules 501, 502 and 506 of Regulation D as there were no more than 35 purchasers (calculated in accordance with Regulation D) and SunPower believes that each purchaser who is not an accredited investor has, either alone or with his purchaser representative, such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of this investment. SunPower believes that exemptions other than the foregoing exemption may also exist for this transaction.

Section 5 – Corporate Governance and Management

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

In connection with the completion of the Merger, the Board appointed Mr. Dinwoodie as Chief Executive Officer of the PowerLight business, Mr. Wenger as Executive Vice President, Sales of the Company and Mr. Ledesma as General Counsel of the Company. In addition, the Board appointed Peter Aschenbrenner, formerly the Vice President, Sales and Marketing of SunPower, as Vice President, Marketing of the Company. In light of the change in Mr. Aschenbrenner's responsibilities, the Board determined that he would no longer be an executive officer of SunPower.

Mr. Dinwoodie is a party to an amended and restated employment agreement, effective as of January 11, 2007. Pursuant to this agreement, Mr. Dinwoodie is entitled to receive a base salary of \$243,338 per year, subject to annual review by the Board, and is entitled to receive an annual bonus of approximately 50% of his base salary in accordance with the Company's Key Employee Bonus Plan.

Mr. Dinwoodie's employment agreement expires on November 1, 2008 and renews automatically, unless terminated, for three-year periods thereafter. In the event the Company terminates Mr. Dinwoodie's employment agreement without cause (as defined in his employment agreement), or Mr. Dinwoodie resigns for good reason (as defined in his employment agreement), Mr. Dinwoodie will be entitled to receive benefits for two years, 24 months' salary, any earned but unpaid bonus from the year prior to his termination or resignation and his pro rata target bonus for the current year.

In the event the Company terminates Mr. Dinwoodie's employment agreement for cause, or Mr. Dinwoodie resigns without good reason, all further vesting of Mr. Dinwoodie's outstanding equity awards will terminate, compensation payments (except as to amounts already earned) will cease and Mr. Dinwoodie will be entitled to receive benefits only through the date of his termination or resignation.

In the event Mr. Dinwoodie's employment agreement is terminated by reason of death or disability, Mr. Dinwoodie or his estate will be entitled to receive any earned but unpaid bonus from the year prior to his death or disability, his pro rata target bonus for the current year and benefits in accordance with the then-applicable PowerLight plans, and all of Mr. Dinwoodie's outstanding equity awards will terminate. In addition, all provisions regarding forfeiture, restrictions on transfer and repurchase rights pursuant to the Equity Restriction Agreement (defined below) between Mr. Dinwoodie and the Company will lapse.

Mr. Wenger is a party to an amended and restated employment agreement, effective as of January 11, 2007. Pursuant to this agreement, Mr. Wenger is entitled to receive a base salary of \$232,523 per year, subject to annual review by the Board, and is entitled to receive an annual bonus of approximately 50% of his base salary in accordance with the Company's Key Employee Bonus Plan.

Mr. Wenger's employment agreement terminates on November 1, 2008 and renews automatically, unless terminated, for three-year periods thereafter. In the event the Company terminates Mr. Wenger's employment agreement without cause (as defined in his employment agreement), or Mr. Wenger resigns for good reason (as defined in his employment agreement), Mr. Wenger will be entitled to receive, depending on his number of full years of continuous employment by the PowerLight business at the time of the termination of his employment or his resignation, benefits for between six and 12 months, six to 12 months' salary, any earned but unpaid bonus from the year prior to his termination or resignation and his pro rata target bonus for the current year.

In the event the Company terminates Mr. Wenger's employment agreement for cause, or Mr. Wenger resigns without good reason, all further vesting of Mr. Wenger's outstanding equity awards will terminate, compensation payments (except as to amounts already earned) will cease and Mr. Wenger will be entitled to receive benefits only through the date of his termination or resignation.

In the event Mr. Wenger's employment agreement is terminated by reason of death or disability, Mr. Wenger or his estate will be entitled to receive any earned but unpaid bonus from the year prior to his death or disability, his pro rata target bonus for the current year and benefits in accordance with the then-applicable PowerLight plans, and all of Mr. Wenger's outstanding equity awards will terminate. In addition, all provisions regarding forfeiture, restrictions on transfer and repurchase rights pursuant to the Equity Restriction Agreement between Mr. Wenger and the Company will lapse.

Mr. Ledesma is a party to an amended and restated employment agreement, effective as of January 11, 2007. Pursuant to this agreement, Mr. Ledesma is entitled to receive a base salary of \$225,000 per year, subject to annual review by the Board, and is entitled to receive an annual bonus of approximately 50% of his base salary in accordance with the Company's Key Employee Bonus Plan.

Mr. Ledesma's employment agreement terminates on November 1, 2008 and renews automatically, unless terminated, for three-year periods thereafter. In the event the Company terminates Mr. Ledesma's employment agreement without cause (as defined in his employment agreement), or Mr. Ledesma resigns for good reason (as defined in his employment agreement), Mr. Ledesma will be entitled to receive, depending on his number of full years of continuous employment by the PowerLight business at the time of termination of his employment or his resignation, benefits for between six and 12 months six to 12 months' salary, any earned but unpaid bonus from the previous year and his pro rata target bonus for the current year.

In the event the Company terminates Mr. Ledesma's employment agreement for cause, or Mr. Ledesma resigns without good reason, all further vesting of Mr. Ledesma's outstanding equity awards will terminate, compensation payments (except as to amounts already earned) will cease and Mr. Ledesma will be entitled to receive benefits only through the date of his termination or resignation.

In the event Mr. Ledesma's employment agreement is terminated by reason of death or disability, Mr. Ledesma or his estate will be entitled to receive any earned but unpaid bonus from

the year prior to his death or disability, his pro rata target bonus for the current year and benefits in accordance with the then-applicable PowerLight plans, and all of Mr. Ledesma's outstanding equity awards will terminate. In addition, all provisions regarding forfeiture, restrictions on transfer and repurchase rights pursuant to the Equity Restriction Agreement between Mr. Ledesma and the Company will lapse.

In addition to the foregoing, if, during the period beginning three months before and ending 18 months following a change of control (as defined in the respective employment agreement of each of Messrs. Dinwoodie, Wenger and Ledesma), such individual's employment is terminated other than for cause or he resigns for good reason, all of such individual's unvested stock options or restricted stock granted from and after the date of the Merger will become fully vested.

Pursuant to his employment agreement, each of Messrs. Dinwoodie, Wenger and Ledesma also agreed to certain non-solicitation provisions, which apply for up to one (1) year following the termination of his employment.

Messrs. Dinwoodie's, Wenger's and Ledesma's employment agreements are attached hereto as Exhibits 10.1, 10.2 and 10.3, respectively, and are incorporated herein by this reference.

In addition to their respective employment agreements, each of Messrs. Dinwoodie, Wenger and Ledesma, as well as certain other members of PowerLight's management team, entered into equity restriction agreements (the "Equity Restriction Agreements") with SunPower pursuant to which they each agreed that half of the aggregate amount of the SunPower class A common stock received by them at the closing of the Merger and the SunPower class A common stock to be received by them upon the exercise of vested stock options held by them at the closing of the Merger would be subject to certain transfer and repurchase restrictions. Specifically, these individuals agreed to give SunPower the right to repurchase the shares of SunPower class A common stock subject to the restrictions for two years following the date of the closing of the Merger. If Mr. Dinwoodie, Mr. Wenger or Mr. Ledesma is terminated for cause or resigns other than for good reason (each as defined in their respective Equity Restriction Agreement) during the restriction period, SunPower has the right to repurchase any or all of such person's respective shares still subject to the restrictions for \$0.01 per share. Provided that Mr. Dinwoodie, Mr. Wenger and Mr. Ledesma remain employed by the Company or by PowerLight, the restrictions and repurchase right lapse on one quarter of the shares semi-annually. The restrictions and repurchase right lapse immediately upon termination by reason of death or disability or upon resignation for good reason or termination other than for cause.

A copy of the form of Equity Restriction Agreement is attached hereto as Exhibit 10.4 and is incorporated herein by this reference.

Under the Bonus Pool, each of Messrs. Wenger and Ledesma will also receive 74,579 and 41,433, shares, respectively, of the Company's restricted class A common stock. These shares of restricted class A common stock will vest over a four-year period at the rate of 25% per year from the day after the date on which the Merger was completed.

Section 9 – Financial Statements and Exhibits

Section 9.01 Financial Statements and Exhibits

(a) Financial Statements of Businesses Acquired.

In accordance with item 9(a) of Form 8-K, the financial statements of PowerLight Corporation required by this Item will be filed not later than 71 days after the date on which this current report on Form 8-K must be filed.

(b) Pro Forma Financial Statements.

In accordance with Item 9(b) of Form 8-K, the pro forma financial information required by this Item will be filed not later than 71 days after the date on which this current report on Form 8-K must be filed.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
10.1	Amended and Restated Employment Agreement, effective as of January 11, 2007, by and between Thomas L. Dinwoodie and PowerLight LLC.
10.2	Amended and Restated Employment Agreement, effective as of January 11, 2007, by and between Howard J. Wenger and PowerLight LLC.
10.3	Amended and Restated Employment Agreement, effective as of January 11, 2007, by and between Bruce R. Ledesma and PowerLight LLC.
10.4	Form of Equity Restriction Agreement entered into between the Company and each of Messrs. Dinwoodie, Wenger and Ledesma.
99.1	Press release.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SUNPOWER CORPORATION

By: /s/ Thomas H. Werner

Name: Thomas H. Werner

Title: Chief Executive Officer

Date: January 17, 2007

EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>
10.1	Amended and Restated Employment Agreement, effective as of January 11, 2007, by and between Thomas L. Dinwoodie and PowerLight LLC.
10.2	Amended and Restated Employment Agreement, effective as of January 11, 2007, by and between Howard J. Wenger and PowerLight LLC.
10.3	Amended and Restated Employment Agreement, effective as of January 11, 2007, by and between Bruce R. Ledesma and PowerLight LLC.
10.4	Form of Equity Restriction Agreement entered into between the Company and each of Messrs. Dinwoodie, Wenger and Ledesma.
99.1	Press release.

THOMAS L. DINWOODIE

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Agreement amends and restates the employment agreement entered into as of November 1, 2005 (the "Effective Date") by and between PowerLight Corporation, a California corporation (the "Company") and Thomas L. Dinwoodie ("Executive") to reflect the proposed acquisition of the Company by SunPower Corporation, a Delaware corporation ("SunPower") and merger (the "Merger") of the Company with and into Pluto Acquisition LLC, a Delaware LLC ("PowerLight LLC") pursuant to the Agreement and Plan of Merger dated November 15, 2006 among the Company, SunPower, PowerLight LLC and Thomas L. Dinwoodie as Shareholders' Representative. This Agreement as amended and restated shall be effective as of one business day following the date the Merger is consummated (the "Amendment Date"), and if the Merger does not occur such amendments shall be without effect. After the Amendment Date, all references to the Company shall be to PowerLight LLC.

1. Duties and Scope of Employment.

(a) Positions and Duties. As of the Amendment Date, Executive will serve as Chief Executive Officer of the Company, a subsidiary of SunPower. Executive will render such business and professional services in the performance of his duties, consistent with Executive's position within the Company, as will reasonably be assigned to him by the Chief Executive Officer of SunPower (the "Supervisor"). The period of Executive's employment under this Agreement is referred to herein as the "Employment Term."

(b) Obligations. During the Employment Term, Executive will devote Executive's full business efforts and time to the Company. Executive acknowledges that the performance of his duties may require reasonable business travel. For the duration of the Employment Term, Executive agrees not to actively engage in any other employment, occupation, or consulting activity for any direct or indirect remuneration without the prior approval of the Supervisor (which approval will not be unreasonably withheld); provided, however, that Executive may, without the approval of the Supervisor, serve in any capacity with any civic, educational, or charitable organization, provided such services do not interfere with Executive's obligations to the Company.

2. At-Will Employment. Executive and the Company agree that Executive's employment with the Company constitutes "at-will" employment. Executive and the Company acknowledge that, notwithstanding the term described in Section 3, this employment relationship may be terminated at any time, upon written notice to the other party, with or without good cause or for any or no cause, at the option either of the Company or Executive. However, as described in this Agreement, Executive may be entitled to severance benefits

depending upon the circumstances of Executive's termination of employment. Upon the termination of Executive's employment with the Company for any reason, in addition to the severance compensation provided elsewhere in this Agreement, Executive will be entitled to payment of all accrued but unpaid vacation, expense reimbursements, and other benefits due to Executive through his termination date under any Company-provided or paid plans, policies, and arrangements. Executive agrees to resign from all positions that he holds with the Company (other than his position, if any, as a member of the Board of Directors of SunPower (the "Board")) immediately following the termination of his employment if the Supervisor so requests.

3. Term of Agreement. This Agreement will have an initial term of three years commencing on the Effective Date. On the third anniversary of the Effective Date, and on each three-year anniversary thereafter, this Agreement automatically will renew for an additional three-year term unless the Company provides Executive with notice of non-renewal at least 120 days prior to the date of automatic renewal.

4. Compensation.

(a) Base Salary. Commencing as of the date when the Company implements its Company-wide salary increases for 2007, the Company will pay Executive an initial monthly salary of \$20,278.17 as compensation for his services (the "Base Salary"). The Base Salary will not be subject to further increase as a result of SunPower's separate implementation of its own company-wide salary increases for 2007. The Base Salary will be paid periodically in accordance with SunPower's normal payroll practices and be subject to the usual, required withholding. Executive's salary will be subject to review, and adjustments will be made based upon SunPower's standard practices.

(b) Annual Bonus. Executive shall be eligible to participate in SunPower's Key Employee Bonus Plan ("KEBP"). Executive's target bonus will be determined from time to time by the Supervisor in accordance with the KEBP ("Target Bonus"); provided, however, that Executive's initial Target Bonus shall be 50% of the Base Salary. The actual bonus paid may be higher or lower than the Target Bonus for over- or under-achievement of goals as determined by the Supervisor. Executive's annual bonus, if any, will be payable each quarter and/or year upon completion of a performance review by the Supervisor.

(c) Equity Compensation. Executive may be entitled to participate in SunPower's equity incentive programs, as determined from time to time by the Board and/or its compensation committee.

(d) Additional Compensation. The Company shall provide Executive with a vehicle which shall be, at the Company's discretion, either owned or leased by the Company for Executive's business and personal use.

5. Employee Benefits. During the Employment Term, Executive will be eligible to participate in accordance with the terms of all SunPower employee benefit plans, policies, and arrangements that are applicable to other senior executives of SunPower, as such plans, policies, and arrangements may exist from time to time.

6. Expenses. The Company will reimburse Executive for reasonable travel, entertainment, and other expenses incurred by Executive in the furtherance of the performance of Executive's duties hereunder, in accordance with SunPower's expense reimbursement and other policies as in effect from time to time.

7. Severance.

(a) Termination Without Cause or Resignation for Good Reason. If Executive's employment is terminated by the Company without Cause or by Executive for Good Reason, then, subject to Section 8, Executive will receive: (i) a lump-sum payment equal to Executive's monthly Base Salary in effect immediately prior to the date of Executive's employment termination ("Termination Date") multiplied by twenty-four (24), (ii) in the event the Termination Date following a completed fiscal year for which Executive's annual bonus relating to such prior completed fiscal year has not been paid as of the Termination Date, a lump-sum payment equal to the actual bonus that would have been paid for such completed fiscal year (iii) a lump-sum payment equal to Executive's Target Bonus in effect immediately prior to the Termination Date divided by twelve (12) and multiplied by the number of whole calendar months between the commencement of the then current fiscal year and the Termination Date, and (iv) Company-paid coverage for Executive and Executive's eligible dependents under the Company's Benefit Plans for twenty-four (24) months, or, if earlier, until Executive is eligible for similar benefits from another employer (provided Executive validly elects to continue coverage under applicable law).

(b) Voluntary Termination without Good Reason; Termination for Cause. If Executive's employment with the Company terminates voluntarily by Executive without Good Reason or is terminated for Cause by the Company, then (i) all further vesting of Executive's outstanding equity awards will terminate immediately, (ii) all payments of compensation by the Company to Executive hereunder will terminate immediately (except as to amounts already earned), and (iii) Executive will be paid all expense reimbursements and other benefits due to Executive through his termination date under any Company-provided or paid plans, policies, and arrangements.

(c) Termination due to Death or Disability. If Executive's employment terminates by reason of death or disability, then (i) Executive will be entitled to the payments described in Section 7(a)(ii) and (iii) above, (ii) all provisions regarding forfeiture, restrictions on transfer, and the Company's or SunPower's (as applicable) rights of repurchase, in each case otherwise applicable to shares of restricted stock held by such Executive pursuant to the Equity Restriction Agreement between Executive and the Company, dated of even date herewith, shall lapse as of the effective date of such termination (iii) Executive will be entitled to receive other benefits only in accordance with the Company's then applicable plans, policies, and arrangements, and (iv) Executive's outstanding equity awards will terminate if and to the extent provided under the applicable award agreement(s). For purpose of this Section 7(c) only, the term disability shall refer to Executive's failure to perform the essential functions of Executive's position for a period of six (6) months, with or without reasonable accommodation, due to a disability, which, in the opinion of a qualified physician, is reasonably likely to be continuous or permanent for the remainder of Executive's life.

(d) Sole Right to Severance. This Agreement is intended to represent Executive's sole entitlement to severance payments and benefits in connection with the termination of his employment. To the extent Executive is entitled to receive severance or similar payments and/or benefits under any other Company plan, program, agreement, policy, practice, or the like, severance payments and benefits due to Executive under this Agreement will be so reduced.

(e) Timing of Payments. If, as of the Termination Date, Executive is a "specified employee" within the meaning of Treasury Regulation §1.409A, as determined by SunPower's legal counsel, the lump-sum payments specified in Sections 7(a) and 7(b) (and the amounts still due under Section 9(b)) shall be paid on the first business day on or after the six-month anniversary of the Termination Date, or, if earlier, on notification of Executive's death.

8. Conditions to Receipt of Severance; No Duty to Mitigate.

(a) Separation Agreement and Release of Claims. The receipt of any severance pursuant to Section 7 will be subject to Executive signing and not revoking a separation agreement and release of claims in a form reasonably acceptable to the Company. Such agreement will provide (among other things) the provisions of Section 8(c). No severance will be paid or provided until the separation agreement and release agreement becomes effective.

(b) Nonsolicitation. In the event of a termination of Executive's employment that otherwise would entitle Executive to the receipt of severance pursuant to Section 7, Executive agrees that, during the one (1) year period following the Termination Date, Executive, directly or indirectly, whether as employee, owner, sole proprietor, partner, director, member, consultant, agent, founder, co-venturer or otherwise, will (i) not solicit, induce, or influence any person to modify his or her employment or consulting relationship with the Company or SunPower (the "No-Inducement"), and (ii) not solicit business from any of the Company's or SunPower's substantial customers and users (the "No-Solicit"). If Executive breaches the No-Inducement or the No-Solicit, in addition to any other rights or remedies available to the Company and SunPower, all continuing payments and benefits to which Executive otherwise may be entitled pursuant to Section 7 and/or Section 9(a) will cease immediately.

(c) Nondisparagement. In the event of a termination of Executive's employment that otherwise would entitle Executive to the receipt of severance pursuant to Section 7, Executive agrees to refrain from any disparagement, criticism, defamation, slander of the Company or SunPower, its directors, its executive officers, or its employees, or tortious interference with the contracts and relationships of the Company or SunPower. The foregoing restrictions will not apply to any statements that are made truthfully in response to a subpoena or other compulsory legal process.

(d) No Duty to Mitigate. Executive will not be required to mitigate the amount of any payment contemplated by this Agreement, nor will any earnings that Executive may receive from any other source reduce any such payment.

9. Acceleration of Vesting Upon Change of Control.

(a) If Executive's employment is terminated by the Company without Cause or by Executive for Good Reason, and the termination is in Connection with a Change of Control, then, subject to Section 8, (x) all of such Executive's unvested options granted from and after the date the Merger is consummated will become fully vested and exercisable as of the date of such termination of employment and remain exercisable for the time period otherwise applicable to such options following such termination of employment pursuant to the applicable option plan and option agreement and (y) all provisions regarding forfeiture, restrictions on transfer, and the Company's or SunPower's (as applicable) rights of repurchase, in each case otherwise applicable to shares of restricted stock held by such Executive and granted from and after the date the Merger is consummated, shall lapse as of the effective date of such termination of employment.

(b) Section 280G Limitation. If any payment or benefit Executive would receive pursuant to Section 7 and/or Section 9(a), but determined without regard to any additional payment required under this Section 9(b), (collectively, the "Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties payable with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then Executive's benefits under this Agreement shall be either: (1) delivered in full, or (2) delivered as to such lesser extent which would result in no portion of such benefits being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by Employee on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code.

(c) The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the Change of Control shall perform the foregoing calculations. If the accounting firm so engaged by the Company is also serving as accountant or auditor for the individual, entity or group which will control the Company upon the occurrence of a Change of Control, the Company shall appoint a nationally recognized accounting firm other than the accounting firm engaged by the Company for general audit purposes to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder.

(d) The accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and Executive within thirty (30) calendar days after the date on which such accounting firm has been engaged to make such determinations or such other time as requested by the Company or Executive. Any good faith determinations of the accounting firm made hereunder shall be final, binding, and conclusive upon the Company and Executive.

10. Definitions.

(a) Benefit Plans. For purposes of this Agreement, “Benefit Plans” means plans, policies, or arrangements that SunPower sponsors (or participates in) and that immediately prior to Executive’s termination of employment provide Executive and Executive’s eligible dependents with medical, dental, or vision benefits. Benefit Plans do not include any other type of benefit (including, but not by way of limitation, financial counseling, disability, life insurance, or retirement benefits). A requirement that the Company provide Executive and Executive’s eligible dependents with (or reimburse for) coverage under the Benefit Plans will not be satisfied unless the coverage is no less favorable than that provided to Executive and Executive’s eligible dependents immediately prior to Executive’s termination of employment; provided, however, that the Company may reduce coverage under the Benefit Plans if such reduction is applicable to all other senior executives of SunPower and its subsidiaries. Subject to the immediately preceding sentence, the Company may, at its option, satisfy any requirement that the Company provide (or reimburse for) coverage under any Benefit Plan by instead providing (or reimbursing for) coverage under a separate plan or plans providing coverage that is no less favorable or by paying Executive a lump-sum payment which is, on an after-tax basis, sufficient to provide Executive and Executive’s eligible dependents with equivalent coverage under a third party plan that is reasonably available to Executive and Executive’s eligible dependents.

(b) Cause. For purposes of this Agreement, “Cause” means (i) acts or omissions constituting gross negligence or willful misconduct on the part of Executive with respect to Executive’s obligations or otherwise relating to the business of Company, (ii) Executive’s (A) felony conviction of, or felony plea of nolo contendere for, fraud, misappropriation or embezzlement, or a felony crime of moral turpitude, or (B) conviction of fraud, misappropriation or embezzlement, (iii) Executive’s violation or breach of any fiduciary duty, or (iv) Executive’s violation or breach of any contractual duty to the Company which duty is material to the performance of the Executive’s duties or results in material damage to the Company or its business; provided that if any of the foregoing events is capable of being cured, the Company will provide notice to Executive describing the nature of such event and Executive will thereafter have thirty (30) days to cure such event.

(c) Change of Control. For purposes of this Agreement, “Change of Control” means (i) a sale of all or substantially all of the Company’s or SunPower’s assets, (ii) any merger, consolidation, or other business combination transaction of the Company or SunPower with or into another corporation, entity, or person, other than a transaction in which the holders of at least a majority of the shares of voting capital stock of the Company or SunPower outstanding immediately prior to such transaction continue to hold (either by such shares remaining outstanding or by their being converted into shares of voting capital stock of the surviving entity) a majority of the total voting power represented by the shares of voting capital stock of the Company or SunPower (or the respective surviving entity) outstanding immediately after such transaction, (iii) the direct or indirect acquisition (including by way of a tender or exchange offer) by any person, or persons acting as a group, of beneficial ownership or a right to acquire beneficial ownership of shares representing a majority of the voting power of the then outstanding shares of capital stock of the Company or SunPower, (iv) a contested election of directors, as a result of which or in connection with which the persons who were directors before such election or their nominees cease to constitute a majority of the Board, or (v) a dissolution or

liquidation of the Company or SunPower. Notwithstanding anything to the contrary in the foregoing, any pro rata distribution (or retirement and pro rata issuance) of shares of SunPower stock held by SunPower's corporate parent, Cypress Semiconductor, Inc. ("Cypress") to the existing public shareholders of Cypress (in proportion to their shareholdings of Cypress) shall not constitute a Change of Control.

(d) Disability. For purposes of this Agreement, Disability shall have the same defined meaning as in the Company's long-term disability plan.

(e) Good Reason. For purposes of this Agreement, "Good Reason" means the occurrence of any of the following without Executive's express prior written consent: (i) a material reduction in Executive's position or duties after the Amendment Date, (ii) a material breach of this Agreement, which the Company has not cured within thirty (30) days after receipt of written notice of such breach from Executive, (iii) a reduction in Executive's Base Salary and Target Bonus excluding a reduction that is applied to substantially all of the Company's and SunPower's other senior executives; provided, however, that for purposes of this clause (iii) whether a reduction in Target Bonus has occurred shall be determined without any regard to any actual bonus payments made to Executive, (iv) a material reduction in the aggregate level of benefits made available to Executive other than a reduction that also is applied to substantially all of the Company's and SunPower's other senior executives, (v) a relocation of Executive's primary place of business for the performance of his duties to the Company to a location that is more than thirty-five (35) miles from the Company's current business location in Berkeley, California or (vi) a change in the Executive's reporting responsibility from directly into SunPower's Chief Executive Officer to another position.

(f) In Connection with a Change of Control. For purposes of this Agreement, a termination of Executive's employment with the Company is "in Connection with a Change of Control" if Executive's employment terminates during the period beginning three (3) months prior to a Change of Control and ending eighteen (18) months following a Change of Control.

11. Indemnification and Insurance. Executive will be covered under the Company's insurance policies and, subject to applicable law, will be provided indemnification to the maximum extent permitted by the Company's bylaws and Articles of Incorporation, with such insurance coverage and indemnification to be in accordance with the Company's standard practices for senior executive officers but on terms no less favorable than provided to any other Company senior executive officer or director.

12. Confidential Information. Executive acknowledges that the Employee Proprietary Information and Inventions Agreement between Executive and the Company (the "Confidential Information Agreement") will continue in effect. During the Employment Term, Executive agrees to execute any updated versions of the Company's form of Confidential Information Agreement (any such updated version also referred to as the "Confidential Information Agreement") as may be required of substantially all of the Company's executive officers.

13. Assignment. This Agreement will be binding upon and inure to the benefit of (a) the heirs, executors, and legal representatives of Executive upon Executive's death, and (b) any successor of the Company. Any such successor of the Company will be deemed substituted for

the Company under the terms of this Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation, or other business entity which at any time, whether by purchase, merger, or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. None of the rights of Executive to receive any form of compensation payable pursuant to this Agreement may be assigned or transferred except by will or the laws of descent and distribution. Any other attempted assignment, transfer, conveyance, or other disposition of Executive's right to compensation or other benefits will be null and void.

14. Notices. All notices, requests, demands, and other communications called for hereunder will be in writing and will be deemed given (a) on the date of delivery if delivered personally, (b) one day after being sent by a well established commercial overnight service, or (c) four days after being mailed by registered or certified mail, return receipt requested, prepaid and addressed to the parties or their successors at the following addresses, or at such other addresses as the parties may later designate in writing:

If to the Company:

Attn: Chief Executive Officer
SunPower Corporation
3939 North First Street
San Jose, CA 95134

If to Executive, at the last known residential address on file with the Company.

15. Severability. If any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement will continue in full force and effect without said provision.

16. Arbitration. The Parties agree that any and all disputes arising out of the terms of this Agreement, their interpretation, and any of the matters herein released, shall be subject to binding arbitration in Alameda County before the American Arbitration Association under its National Rules for the Resolution of Employment Disputes, supplemented by the California Code of Civil Procedure. The Parties agree that the prevailing party in any arbitration shall be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award. **The Parties hereby agree to waive their right to have any dispute between them resolved in a court of law by a judge or jury.** This paragraph will not prevent either party from seeking injunctive relief (or any other provisional remedy) from any court having jurisdiction over the Parties and the subject matter of their dispute relating to Executive's obligations under this Agreement and the Confidentiality Information Agreement.

17. Integration and Existing Agreement. All of the Company's and Executive's respective rights and obligations under the original Agreement dated as of the Effective Date shall continue in effect and survive the amendments made herein with respect to all periods and events occurring through the date the Merger is consummated. This Agreement as amended and restated, together with the Confidential Information Agreement and Executive's equity

award agreements, represents the entire agreement and understanding between the parties as to the subject matter herein and supersedes all prior or contemporaneous agreements whether written or oral, except as provided for in the preceding sentence. In the event of any conflict between this Agreement and the Confidential Information Agreement or Executive's equity award agreements, this Agreement shall prevail. No waiver, alteration, or modification of any of the provisions of this Agreement will be binding unless in writing that specifically references this Section and is signed by duly authorized representatives of the parties hereto. Notwithstanding the preceding sentence, both the Company and Executive agree to amend this Agreement with respect to the timing of payments if the Board determines that an amendment is necessary to prevent the imposition of additional tax liability under Section 409A of the Internal Revenue Code of 1986, as amended.

18. Waiver of Breach. The waiver of a breach of any term or provision of this Agreement, which must be in writing, will not operate as or be construed to be a waiver of any other previous or subsequent breach of this Agreement.

19. Survival. The Confidential Information Agreement, and the Company's and Executive's responsibilities under Sections 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 19 and 22 will survive the termination of this Agreement.

20. Headings. All captions and Section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

21. Tax Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable taxes.

22. Governing Law. This Agreement will be governed by the laws of the State of California (with the exception of its conflict of laws provisions).

23. Acknowledgment. Executive acknowledges that he has had the opportunity to discuss this matter with and obtain advice from his private attorney, has had sufficient time to, and has carefully read and fully understands all the provisions of this Agreement, and is knowingly and voluntarily entering into this Agreement.

24. Counterparts. This Agreement may be executed in counterparts, and each counterpart will have the same force and effect as an original and will constitute an effective, binding agreement on the part of each of the undersigned.

* * * * *

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by a duly authorized officer, as of November 15, 2006.

COMPANY:

EXECUTIVE:

PowerLight LLC

By: SunPower Corporation, its sole member

By: /s/ Emmanuel T. Hernandez

/s/ Thomas L. Dinwoodie

Name: Emmanuel T. Hernandez

Thomas L. Dinwoodie

Its: Chief Financial Officer



HOWARD J. WENGER

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Agreement amends and restates the employment agreement entered into as of November 1, 2005 (the "Effective Date") by and between PowerLight Corporation, a California corporation (the "Company") and Howard J. Wenger ("Executive") to reflect the proposed acquisition of the Company by SunPower Corporation, a Delaware corporation ("SunPower") and merger (the "Merger") of the Company with and into Pluto Acquisition Corporation LLC, a Delaware LLC ("PowerLight LLC") pursuant to the Agreement and Plan of Merger dated November 15, 2006 among the Company, SunPower, PowerLight LLC and Thomas L. Dinwoodie as Shareholders' Representative (the "Merger Agreement"). This Agreement as amended and restated shall be effective as of one business day following the date the Merger is consummated (the "Amendment Date"), and if the Merger does not occur such amendments shall be without effect. After the Amendment Date, all references to the Company shall be to PowerLight LLC.

1. Duties and Scope of Employment.

(a) Positions and Duties. As of the Amendment Date, Executive will serve as Executive Vice President of the Company, a subsidiary of SunPower. Executive will render such business and professional services in the performance of his duties, consistent with Executive's position within the Company, as will reasonably be assigned to him by the Chief Executive Officer of the Company (the "Supervisor"). The period of Executive's employment under this Agreement is referred to herein as the "Employment Term."

(b) Obligations. During the Employment Term, Executive will devote Executive's full business efforts and time to the Company. Executive acknowledges that the performance of his duties may require reasonable business travel. For the duration of the Employment Term, Executive agrees not to actively engage in any other employment, occupation, or consulting activity for any direct or indirect remuneration without the prior approval of the Supervisor (which approval will not be unreasonably withheld); provided, however, that Executive may, without the approval of the Supervisor, serve in any capacity with any civic, educational, or charitable organization, provided such services do not interfere with Executive's obligations to the Company.

2. At-Will Employment. Executive and the Company agree that Executive's employment with the Company constitutes "at-will" employment. Executive and the Company acknowledge that, notwithstanding the term described in Section 3, this employment relationship may be terminated at any time, upon written notice to the other party, with or without good cause or for any or no cause, at the option either of the Company or Executive. However, as described in this Agreement, Executive may be entitled to severance benefits depending upon the circumstances of Executive's termination of employment. Upon the termination of Executive's employment with the Company for any reason, in addition to the severance compensation provided elsewhere in this Agreement, Executive will be entitled to payment of all accrued but unpaid vacation, expense reimbursements, and other benefits due to Executive through his termination date under any Company-provided or paid plans, policies, and arrangements. Executive agrees to resign from all positions that he holds with the Company (other than his position, if any, as a member of the Board of Directors of SunPower (the "Board")) immediately following the termination of his employment if the Supervisor so requests.

3. Term of Agreement. This Agreement will have an initial term of three years commencing on the Effective Date. On the third anniversary of the Effective Date, and on each three-year anniversary thereafter, this Agreement automatically will renew for an additional three-year term unless the Company provides Executive with notice of non-renewal at least 120 days prior to the date of automatic renewal.

4. Compensation.

(a) Base Salary. Commencing as of the date when the Company implements its Company-wide salary increases for 2007, the Company will pay Executive an initial monthly salary of \$19,376.92 as compensation for his services (the "Base Salary"). The Base Salary will not be subject to further increase as a result of SunPower's separate implementation of its own company-wide salary increases for 2007. The Base Salary will be paid periodically in accordance with SunPower's normal payroll practices and be subject to the usual, required withholding. Executive's salary will be subject to review, and adjustments will be made based upon SunPower's standard practices.

(b) Annual Bonus. Executive shall be eligible to participate in SunPower's Key Employee Bonus Plan ("KEBP"). Executive's target bonus will be determined from time to time by the Supervisor in accordance with the KEBP ("Target Bonus"); provided, however, that Executive's initial Target Bonus shall be 50% of the Base Salary. The actual bonus paid may be higher or lower than the Target Bonus for over- or under-achievement of goals as determined by the Supervisor. Executive's annual bonus, if any, will be payable each quarter and/or year upon completion of a performance review by the Supervisor.

(c) Equity Compensation. Executive shall be granted shares of SunPower stock in accordance with Section 4.13(a) and Schedule 4.13 of the Merger Agreement, the transfer restrictions for which shall lapse in equal annual installments over four years from the Amendment Date in accordance with the terms of the restricted stock agreements relating thereto. Executive may be entitled to participate in SunPower's equity incentive programs, as determined from time to time by the Board and/or its compensation committee (including being considered in connection with SunPower's annual evergreen equity incentive granting program commencing in 2007).

(d) Additional Compensation. The Company shall provide Executive with a vehicle which shall be, at the Company's discretion, either owned or leased by the Company for Executive's business and personal use.

5. Employee Benefits. During the Employment Term, Executive will be eligible to participate in accordance with the terms of all SunPower employee benefit plans, policies, and arrangements that are applicable to other senior executives of SunPower, as such plans, policies, and arrangements may exist from time to time.

6. Expenses. The Company will reimburse Executive for reasonable travel, entertainment, and other expenses incurred by Executive in the furtherance of the performance of Executive's duties hereunder, in accordance with SunPower's expense reimbursement and other policies as in effect from time to time.

7. Severance.

(a) Termination Without Cause or Resignation for Good Reason. If Executive's employment is terminated by the Company without Cause or by Executive for Good Reason, then, subject to Section 8, Executive will receive: (i) a lump-sum payment equal to Executive's monthly Base Salary in effect immediately prior to the date of Executive's employment termination ("Termination Date") multiplied by the Section 7(a) Multiple, (ii) in the event the Termination Date following a completed fiscal year for which Executive's annual bonus relating to such prior completed fiscal year has not been paid as of the Termination Date, a lump-sum payment equal to the actual bonus that would have been paid for such completed fiscal year (iii) a lump-sum payment equal to Executive's Target Bonus in effect immediately prior to the Termination Date divided by twelve (12) and multiplied by the number of whole calendar months between the commencement of the then current fiscal year and the Termination Date, and (iv) Company-paid coverage for Executive and Executive's eligible dependents under the Company's Benefit Plans for a number of months equal to the Section 7(a) Multiple, or, if earlier, until Executive is eligible for similar benefits from another employer (provided Executive validly elects to continue coverage under applicable law). As used herein, the "Section 7(a) Multiple" means six (6) plus the number of continuous full years of Executive's employment with the Company, up to a maximum of twelve (12).

(b) Voluntary Termination without Good Reason; Termination for Cause. If Executive's employment with the Company terminates voluntarily by Executive without Good Reason or is terminated for Cause by the Company, then (i) all further vesting of Executive's outstanding equity awards will terminate immediately, (ii) all payments of compensation by the Company to Executive hereunder will terminate immediately (except as to amounts already earned), and (iii) Executive will be paid all expense reimbursements and other benefits due to Executive through his termination date under any Company-provided or paid plans, policies, and arrangements.

(c) Termination due to Death or Disability. If Executive's employment terminates by reason of death or disability, then (i) Executive will be entitled to the payments described in Section 7(a)(ii) and (iii) above, (ii) all provisions regarding forfeiture, restrictions on transfer, and the Company's or SunPower's (as applicable) rights of repurchase, in each case otherwise applicable to shares of restricted stock held by such Executive pursuant to the Equity Restriction Agreement between Executive and the Company, dated of even date herewith, shall lapse as of the effective date of such termination (iii) Executive will be entitled to receive other benefits only in accordance with the Company's then applicable plans, policies, and arrangements, and (iv) Executive's outstanding equity awards will terminate if and to the extent provided under the applicable award agreement(s). For purpose of this Section 7(c) only, the term disability shall refer to Executive's failure to perform the essential functions of Executive's position for a period of six (6) months, with or without reasonable accommodation, due to a disability, which, in the opinion of a qualified physician, is reasonably likely to be continuous or permanent for the remainder of Executive's life.

(d) Sole Right to Severance. This Agreement is intended to represent Executive's sole entitlement to severance payments and benefits in connection with the termination of his employment. To the extent Executive is entitled to receive severance or similar payments and/or benefits under any other Company plan, program, agreement, policy, practice, or the like, severance payments and benefits due to Executive under this Agreement will be so reduced.

(e) Timing of Payments. If, as of the Termination Date, Executive is a "specified employee" within the meaning of Treasury Regulation §1.409A, as determined by SunPower's legal counsel, the lump-sum payments specified in Sections 7(a) and 7(b) (and the amounts still due under Section 9(b)) shall be paid on the first business day on or after the six-month anniversary of the Termination Date, or, if earlier, on notification of Executive's death.

8. Conditions to Receipt of Severance; No Duty to Mitigate.

(a) Separation Agreement and Release of Claims. The receipt of any severance pursuant to Section 7 will be subject to Executive signing and not revoking a separation agreement and release of claims in a form reasonably acceptable to the Company. Such agreement will provide (among other things) the provisions of Section 8(c). No severance will be paid or provided until the separation agreement and release agreement becomes effective.

(b) Nonsolicitation. In the event of a termination of Executive's employment that otherwise would entitle Executive to the receipt of severance pursuant to Section 7, Executive agrees that, during the one (1) year period following the Termination Date, Executive, directly or indirectly, whether as employee, owner, sole proprietor, partner, director, member, consultant, agent, founder, co-venturer or otherwise, will (i) not solicit, induce, or influence any person to modify his or her employment or consulting relationship with the Company or SunPower (the "No-Inducement"), and (ii) not solicit business from any of the Company's or SunPower's substantial customers and users (the "No-Solicit"). If Executive breaches the No-Inducement or the No-Solicit, in addition to any other rights or remedies available to the Company and SunPower, all continuing payments and benefits to which Executive otherwise may be entitled pursuant to Section 7 and/or Section 9(a) will cease immediately.

(c) Nondisparagement. In the event of a termination of Executive's employment that otherwise would entitle Executive to the receipt of severance pursuant to Section 7, Executive agrees to refrain from any disparagement, criticism, defamation, slander of the Company or SunPower, its directors, its executive officers, or its employees, or tortious interference with the contracts and relationships of the Company or SunPower. The foregoing restrictions will not apply to any statements that are made truthfully in response to a subpoena or other compulsory legal process.

(d) No Duty to Mitigate. Executive will not be required to mitigate the amount of any payment contemplated by this Agreement, nor will any earnings that Executive may receive from any other source reduce any such payment.

9. Acceleration of Vesting Upon Change of Control.

(a) If Executive's employment is terminated by the Company without Cause or by Executive for Good Reason, and the termination is in Connection with a Change of Control, then, subject to Section 8, (x) all of such Executive's unvested options granted from and after the date the Merger is consummated will become fully vested and exercisable as of the date of such termination of employment and remain exercisable for the time period otherwise applicable to such options following such termination of employment pursuant to the applicable option plan and option agreement and (y) all provisions regarding forfeiture, restrictions on transfer, and the Company's or SunPower's (as applicable) rights of repurchase, in each case otherwise applicable to shares of restricted stock held by such Executive and granted from and after the date the Merger is consummated, shall lapse as of the effective date of such termination of employment.

(b) Section 280G Limitation. If any payment or benefit Executive would receive pursuant to Section 7 and/or Section 9(a), but determined without regard to any additional payment required under this Section 9(b), (collectively, the "Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties payable with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then Executive's benefits under this Agreement shall be either: (1) delivered in full, or (2) delivered as to such lesser extent which would result in no portion of such benefits being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by Employee on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code.

(c) The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the Change of Control shall perform the foregoing calculations. If the accounting firm so engaged by the Company is also serving as accountant or auditor for the individual, entity or group which will control the Company upon the occurrence of a Change of Control, the Company shall appoint a nationally recognized accounting firm other than the accounting firm engaged by the Company for general audit purposes to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder.

(d) The accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and Executive within thirty (30) calendar days after the date on which such accounting firm has been engaged to make such determinations or such other time as requested by the Company or Executive. Any good faith determinations of the accounting firm made hereunder shall be final, binding, and conclusive upon the Company and Executive.

10. Definitions.

(a) Benefit Plans. For purposes of this Agreement, "Benefit Plans" means plans, policies, or arrangements that SunPower sponsors (or participates in) and that immediately prior to Executive's termination of employment provide Executive and Executive's eligible dependents with medical, dental, or vision benefits. Benefit Plans do not include any other type of benefit (including, but not by way of limitation, financial counseling, disability, life insurance, or retirement benefits). A requirement that the Company provide Executive and Executive's eligible dependents with (or reimburse for) coverage under the Benefit Plans will not be satisfied unless the coverage is no less favorable than that provided to Executive and Executive's eligible dependents immediately prior to Executive's termination of employment; provided, however, that the Company may reduce coverage under the Benefit Plans if such reduction is applicable to all other senior executives of SunPower and its subsidiaries. Subject to the immediately preceding sentence, the Company may, at its option, satisfy any requirement that the Company provide (or reimburse for) coverage under any Benefit Plan by instead providing (or reimbursing for) coverage under a separate plan or plans providing coverage that is no less favorable or by paying Executive a lump-sum payment which is, on an after-tax basis, sufficient to provide Executive and Executive's eligible dependents with equivalent coverage under a third party plan that is reasonably available to Executive and Executive's eligible dependents.

(b) Cause. For purposes of this Agreement, "Cause" means (i) acts or omissions constituting gross negligence or willful misconduct on the part of Executive with respect to Executive's obligations or otherwise relating to the business of Company, (ii) Executive's (A) felony conviction of, or felony plea of nolo contendere for, fraud, misappropriation or embezzlement, or a felony crime of moral turpitude, or (B) conviction of fraud, misappropriation or embezzlement, (iii) Executive's violation or breach of any fiduciary duty, or (iv) Executive's violation or breach of any contractual duty to the Company which duty is material to the performance of the Executive's duties or results in material damage to the Company or its business; provided that if any of the foregoing events is capable of being cured, the Company will provide notice to Executive describing the nature of such event and Executive will thereafter have thirty (30) days to cure such event.

(c) Change of Control. For purposes of this Agreement, "Change of Control" means (i) a sale of all or substantially all of the Company's or SunPower's assets, (ii) any merger, consolidation, or other business combination transaction of the Company or SunPower with or into another corporation, entity, or person, other than a transaction in which the holders of at least a majority of the shares of voting capital stock of the Company or SunPower

outstanding immediately prior to such transaction continue to hold (either by such shares remaining outstanding or by their being converted into shares of voting capital stock of the surviving entity) a majority of the total voting power represented by the shares of voting capital stock of the Company or SunPower (or the respective surviving entity) outstanding immediately after such transaction, (iii) the direct or indirect acquisition (including by way of a tender or exchange offer) by any person, or persons acting as a group, of beneficial ownership or a right to acquire beneficial ownership of shares representing a majority of the voting power of the then outstanding shares of capital stock of the Company or SunPower, (iv) a contested election of directors, as a result of which or in connection with which the persons who were directors before such election or their nominees cease to constitute a majority of the Board, or (v) a dissolution or liquidation of the Company or SunPower. Notwithstanding anything to the contrary in the foregoing, any pro rata distribution (or retirement and pro rata issuance) of shares of SunPower stock held by SunPower's corporate parent, Cypress Semiconductor, Inc. ("Cypress") to the existing public shareholders of Cypress (in proportion to their shareholdings of Cypress) shall not constitute a Change of Control.

(d) Disability. For purposes of this Agreement, Disability shall have the same defined meaning as in the Company's long-term disability plan.

(e) Good Reason. For purposes of this Agreement, "Good Reason" means the occurrence of any of the following without Executive's express prior written consent: (i) a material reduction in Executive's position (other than as a result of a change of the Company from a subsidiary to a division of SunPower) or duties after the Amendment Date, (ii) a material breach of this Agreement, which the Company has not cured within thirty (30) days after receipt of written notice of such breach from Executive, (iii) a reduction in Executive's Base Salary and Target Bonus excluding a reduction that is applied to substantially all of the Company's and SunPower's other senior executives; provided, however, that for purposes of this clause (iii) whether a reduction in Target Bonus has occurred shall be determined without any regard to any actual bonus payments made to Executive, (iv) a material reduction in the aggregate level of benefits made available to Executive other than a reduction that also is applied to substantially all of the Company's and SunPower's other senior executives, or (v) a relocation of Executive's primary place of business for the performance of his duties to the Company to a location that is more than thirty-five (35) miles from the Company's current business location in Berkeley, California.

(f) In Connection with a Change of Control. For purposes of this Agreement, a termination of Executive's employment with the Company is "in Connection with a Change of Control" if Executive's employment terminates during the period beginning three (3) months prior to a Change of Control and ending eighteen (18) months following a Change of Control.

11. Indemnification and Insurance. Executive will be covered under the Company's insurance policies and, subject to applicable law, will be provided indemnification to the maximum extent permitted by the Company's bylaws and Articles of Incorporation, with such insurance coverage and indemnification to be in accordance with the Company's standard practices for senior executive officers but on terms no less favorable than provided to any other Company senior executive officer or director.

12. Confidential Information. Executive acknowledges that the Employee Proprietary Information and Inventions Agreement between Executive and the Company (the "Confidential Information Agreement") will continue in effect. During the Employment Term, Executive agrees to execute any updated versions of the Company's form of Confidential Information Agreement (any such updated version also referred to as the "Confidential Information Agreement") as may be required of substantially all of the Company's executive officers.

13. Assignment. This Agreement will be binding upon and inure to the benefit of (a) the heirs, executors, and legal representatives of Executive upon Executive's death, and (b) any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation, or other business entity which at any time, whether by purchase, merger, or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. None of the rights of Executive to receive any form of compensation payable pursuant to this Agreement may be assigned or transferred except by will or the laws of descent and distribution. Any other attempted assignment, transfer, conveyance, or other disposition of Executive's right to compensation or other benefits will be null and void.

14. Notices. All notices, requests, demands, and other communications called for hereunder will be in writing and will be deemed given (a) on the date of delivery if delivered personally, (b) one day after being sent by a well established commercial overnight service, or (c) four days after being mailed by registered or certified mail, return receipt requested, prepaid and addressed to the parties or their successors at the following addresses, or at such other addresses as the parties may later designate in writing:

If to the Company:

Attn: Chief Executive Officer
SunPower Corporation
3939 North First Street
San Jose, CA 95134

If to Executive, at the last known residential address on file with the Company.

15. Severability. If any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement will continue in full force and effect without said provision.

16. Arbitration. The Parties agree that any and all disputes arising out of the terms of this Agreement, their interpretation, and any of the matters herein released, shall be subject to binding arbitration in Alameda County before the American Arbitration Association under its National Rules for the Resolution of Employment Disputes, supplemented by the California Code of Civil Procedure. The Parties agree that the prevailing party in any arbitration shall be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award. **The Parties hereby agree to waive their right to have any dispute between them**

resolved in a court of law by a judge or jury. This paragraph will not prevent either party from seeking injunctive relief (or any other provisional remedy) from any court having jurisdiction over the Parties and the subject matter of their dispute relating to Executive's obligations under this Agreement and the Confidentiality Information Agreement.

17. **Integration and Existing Agreement.** All of the Company's and Executive's respective rights and obligations under the original Agreement dated as of the Effective Date shall continue in effect and survive the amendments made herein with respect to all periods and events occurring through the date the Merger is consummated. This Agreement as amended and restated, together with the Confidential Information Agreement and Executive's equity award agreements, represents the entire agreement and understanding between the parties as to the subject matter herein and supersedes all prior or contemporaneous agreements whether written or oral, except as provided for in the preceding sentence. In the event of any conflict between this Agreement and the Confidential Information Agreement or Executive's equity award agreements, this Agreement shall prevail. No waiver, alteration, or modification of any of the provisions of this Agreement will be binding unless in writing that specifically references this Section and is signed by duly authorized representatives of the parties hereto. Notwithstanding the preceding sentence, both the Company and Executive agree to amend this Agreement with respect to the timing of payments if the Board determines that an amendment is necessary to prevent the imposition of additional tax liability under Section 409A of the Internal Revenue Code of 1986, as amended.

18. **Waiver of Breach.** The waiver of a breach of any term or provision of this Agreement, which must be in writing, will not operate as or be construed to be a waiver of any other previous or subsequent breach of this Agreement.

19. **Survival.** The Confidential Information Agreement, and the Company's and Executive's responsibilities under Sections 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 19 and 22 will survive the termination of this Agreement.

20. **Headings.** All captions and Section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

21. **Tax Withholding.** All payments made pursuant to this Agreement will be subject to withholding of applicable taxes.

22. **Governing Law.** This Agreement will be governed by the laws of the State of California (with the exception of its conflict of laws provisions).

23. **Acknowledgment.** Executive acknowledges that he has had the opportunity to discuss this matter with and obtain advice from his private attorney, has had sufficient time to, and has carefully read and fully understands all the provisions of this Agreement, and is knowingly and voluntarily entering into this Agreement.

24. **Counterparts.** This Agreement may be executed in counterparts, and each counterpart will have the same force and effect as an original and will constitute an effective, binding agreement on the part of each of the undersigned.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by a duly authorized officer, as of November 15, 2006.

COMPANY:

EXECUTIVE:

PowerLight LLC

By: SunPower Corporation, its sole member

By: /s/ Emmanuel T. Hernandez

 /s/ Howard J. Wenger

Name: Emmanuel T. Hernandez

Howard J. Wenger

Its: Chief Financial Officer



BRUCE R. LEDESMA

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Agreement amends and restates the employment agreement entered into as of November 1, 2005 (the "Effective Date") by and between PowerLight Corporation, a California corporation (the "Company") and Bruce R. Ledesma ("Executive") to reflect the proposed acquisition of the Company by SunPower Corporation, a Delaware corporation ("SunPower") and merger (the "Merger") of the Company with and into Pluto Acquisition Corporation LLC, a Delaware LLC ("PowerLight LLC") pursuant to the Agreement and Plan of Merger dated November 15, 2006 among the Company, SunPower, PowerLight LLC and Thomas L. Dinwoodie as Shareholders' Representative. This Agreement as amended and restated shall be effective as of one business day following the date the Merger is consummated (the "Amendment Date"), and if the Merger does not occur such amendments shall be without effect. After the Amendment Date, all references to the Company shall be to PowerLight LLC.

1. Duties and Scope of Employment.

(a) Positions and Duties. As of the Amendment Date, Executive will serve as Executive Vice President, General Counsel of the Company, a subsidiary of SunPower. Executive will render such business and professional services in the performance of his duties, consistent with Executive's position within the Company, as will reasonably be assigned to him by the Chief Executive Officer of the Company (the "Supervisor"). The period of Executive's employment under this Agreement is referred to herein as the "Employment Term."

(b) Obligations. During the Employment Term, Executive will devote Executive's full business efforts and time to the Company. Without Executive's prior consent, Executive will not be required to devote a substantial portion of his efforts to SunPower or its subsidiaries (other than the Company), whether in a capacity such as General Counsel of SunPower or otherwise. Executive acknowledges that the performance of his duties may require reasonable business travel. For the duration of the Employment Term, Executive agrees not to actively engage in any other employment, occupation, or consulting activity for any direct or indirect remuneration without the prior approval of the Supervisor (which approval will not be unreasonably withheld); provided, however, that Executive may, without the approval of the Supervisor, serve in any capacity with any civic, educational, or charitable organization, provided such services do not interfere with Executive's obligations to the Company.

2. At-Will Employment. Executive and the Company agree that Executive's employment with the Company constitutes "at-will" employment. Executive and the Company acknowledge that, notwithstanding the term described in Section 3, this employment relationship may be terminated at any time, upon written notice to the other party, with or without good cause or for any or no cause, at the option either of the Company or Executive. However, as described in this Agreement, Executive may be entitled to severance benefits depending upon the circumstances of Executive's termination of employment. Upon the termination of Executive's employment with the Company for any reason, in addition to the severance compensation provided elsewhere in this Agreement, Executive will be entitled to payment of all accrued but unpaid vacation, expense reimbursements, and other benefits due to Executive through his termination date under any Company-provided or paid plans, policies, and arrangements. Executive agrees to resign from all positions that he holds with the Company (other than his position, if any, as a member of the Board of Directors of SunPower (the "Board")) immediately following the termination of his employment if the Supervisor so requests.

3. Term of Agreement. This Agreement will have an initial term of three years commencing on the Effective Date. On the third anniversary of the Effective Date, and on each three-year anniversary thereafter, this Agreement automatically will renew for an additional three-year term unless the Company provides Executive with notice of non-renewal at least 120 days prior to the date of automatic renewal.

4. Compensation.

(a) Base Salary. Commencing as of the date when the Company implements its Company-wide salary increases for 2007, the Company will pay Executive an initial monthly salary of \$18,750 as compensation for his services (the "Base Salary"). The Base Salary will not be subject to further increase as a result of SunPower's separate implementation of its own company-wide salary increases for 2007. The Base Salary will be paid periodically in accordance with SunPower's normal payroll practices and be subject to the usual, required withholding. Executive's salary will be subject to review, and adjustments will be made based upon SunPower's standard practices.

(b) Annual Bonus. Executive shall be eligible to participate in SunPower's Key Employee Bonus Plan ("KEBP"). Executive's target bonus will be determined from time to time by the Supervisor in accordance with the KEBP ("Target Bonus"); provided, however, that Executive's initial Target Bonus shall be 50% of the Base Salary. The actual bonus paid may be higher or lower than the Target Bonus for over- or under-achievement of goals as determined by the Supervisor. Executive's annual bonus, if any, will be payable each quarter and/or year upon completion of a performance review by the Supervisor.

(c) Equity Compensation. Executive shall be granted shares of SunPower stock in accordance with Section 4.13(a) and Schedule 4.13 of the Merger Agreement, the transfer restrictions for which shall lapse in equal annual installments over four years from the Amendment Date in accordance with the terms of the restricted stock agreements relating thereto. Executive may be entitled to participate in SunPower's equity incentive programs, as determined from time to time by the Board and/or its compensation committee (including being considered in connection with SunPower's annual evergreen equity incentive granting program commencing in 2007).

5. Employee Benefits. During the Employment Term, Executive will be eligible to participate in accordance with the terms of all SunPower employee benefit plans, policies, and arrangements that are applicable to other senior executives of SunPower, as such plans, policies, and arrangements may exist from time to time.

6. Expenses. The Company will reimburse Executive for reasonable travel, entertainment, and other expenses incurred by Executive in the furtherance of the performance of Executive's duties hereunder, in accordance with SunPower's expense reimbursement and other policies as in effect from time to time.

7. Severance.

(a) Termination Without Cause or Resignation for Good Reason. If Executive's employment is terminated by the Company without Cause or by Executive for Good Reason, then, subject to Section 8, Executive will receive: (i) a lump-sum payment equal to Executive's monthly Base Salary in effect immediately prior to the date of Executive's employment termination ("Termination Date") multiplied by the Section 7(a) Multiple, (ii) in the event the Termination Date following a completed fiscal year for which Executive's annual bonus relating to such prior completed fiscal year has not been paid as of the Termination Date, a lump-sum payment equal to the actual bonus that would have been paid for such completed fiscal year (iii) a lump-sum payment equal to Executive's Target Bonus in effect immediately prior to the Termination Date divided by twelve (12) and multiplied by the number of whole calendar months between the commencement of the then current fiscal year and the Termination Date, and (iv) Company-paid coverage for Executive and Executive's eligible dependents under the Company's Benefit Plans for a number of months equal to the Section 7(a) Multiple, or, if earlier, until Executive is eligible for similar benefits from another employer (provided Executive validly elects to continue coverage under applicable law). As used herein, the "Section 7(a) Multiple" means six (6) plus the number of continuous full years of Executive's employment with the Company, up to a maximum of twelve (12).

(b) Voluntary Termination without Good Reason; Termination for Cause. If Executive's employment with the Company terminates voluntarily by Executive without Good Reason or is terminated for Cause by the Company, then (i) all further vesting of Executive's outstanding equity awards will terminate immediately, (ii) all payments of compensation by the Company to Executive hereunder will terminate immediately (except as to amounts already earned), and (iii) Executive will be paid all expense reimbursements and other benefits due to Executive through his termination date under any Company-provided or paid plans, policies, and arrangements.

(c) Termination due to Death or Disability. If Executive's employment terminates by reason of death or disability, then (i) Executive will be entitled to the payments described in Section 7(a)(ii) and (iii) above, (ii) all provisions regarding forfeiture, restrictions on transfer, and the Company's or SunPower's (as applicable) rights of repurchase, in each case otherwise applicable to shares of restricted stock held by such Executive pursuant to the Equity

Restriction Agreement between Executive and the Company, dated of even date herewith, shall lapse as of the effective date of such termination (iii) Executive will be entitled to receive other benefits only in accordance with the Company's then applicable plans, policies, and arrangements, and (iv) Executive's outstanding equity awards will terminate if and to the extent provided under the applicable award agreement(s). For purpose of this Section 7(c) only, the term disability shall refer to Executive's failure to perform the essential functions of Executive's position for a period of six (6) months, with or without reasonable accommodation, due to a disability, which, in the opinion of a qualified physician, is reasonably likely to be continuous or permanent for the remainder of Executive's life.

(d) Sole Right to Severance. This Agreement is intended to represent Executive's sole entitlement to severance payments and benefits in connection with the termination of his employment. To the extent Executive is entitled to receive severance or similar payments and/or benefits under any other Company plan, program, agreement, policy, practice, or the like, severance payments and benefits due to Executive under this Agreement will be so reduced.

(e) Timing of Payments. If, as of the Termination Date, Executive is a "specified employee" within the meaning of Treasury Regulation §1.409A, as determined by SunPower's legal counsel, the lump-sum payments specified in Sections 7(a) and 7(b) (and the amounts still due under Section 9(b)) shall be paid on the first business day on or after the six-month anniversary of the Termination Date, or, if earlier, on notification of Executive's death.

8. Conditions to Receipt of Severance; No Duty to Mitigate.

(a) Separation Agreement and Release of Claims. The receipt of any severance pursuant to Section 7 will be subject to Executive signing and not revoking a separation agreement and release of claims in a form reasonably acceptable to the Company. Such agreement will provide (among other things) the provisions of Section 8(c). No severance will be paid or provided until the separation agreement and release agreement becomes effective.

(b) Nonsolicitation. In the event of a termination of Executive's employment that otherwise would entitle Executive to the receipt of severance pursuant to Section 7, Executive agrees that, during the one (1) year period following the Termination Date, Executive, directly or indirectly, whether as employee, owner, sole proprietor, partner, director, member, consultant, agent, founder, co-venturer or otherwise, will (i) not solicit, induce, or influence any person to modify his or her employment or consulting relationship with the Company or SunPower (the "No-Inducement"), and (ii) not solicit business from any of the Company's or SunPower's substantial customers and users (the "No-Solicit"). If Executive breaches the No-Inducement or the No-Solicit, in addition to any other rights or remedies available to the Company and SunPower, all continuing payments and benefits to which Executive otherwise may be entitled pursuant to Section 7 and/or Section 9(a) will cease immediately.

(c) Nondisparagement. In the event of a termination of Executive's employment that otherwise would entitle Executive to the receipt of severance pursuant to Section 7, Executive agrees to refrain from any disparagement, criticism, defamation, slander of the Company or SunPower, its directors, its executive officers, or its employees, or tortious interference with the contracts and relationships of the Company or SunPower. The foregoing restrictions will not apply to any statements that are made truthfully in response to a subpoena or other compulsory legal process.

(d) No Duty to Mitigate. Executive will not be required to mitigate the amount of any payment contemplated by this Agreement, nor will any earnings that Executive may receive from any other source reduce any such payment.

9. Acceleration of Vesting Upon Change of Control.

(a) If Executive's employment is terminated by the Company without Cause or by Executive for Good Reason, and the termination is in Connection with a Change of Control, then, subject to Section 8, (x) all of such Executive's unvested options granted from and after the date the Merger is consummated will become fully vested and exercisable as of the date of such termination of employment and remain exercisable for the time period otherwise applicable to such options following such termination of employment pursuant to the applicable option plan and option agreement and (y) all provisions regarding forfeiture, restrictions on transfer, and the Company's or SunPower's (as applicable) rights of repurchase, in each case otherwise applicable to shares of restricted stock held by such Executive and granted from and after the date the Merger is consummated, shall lapse as of the effective date of such termination of employment.

(b) Section 280G Limitation. If any payment or benefit Executive would receive pursuant to Section 7 and/or Section 9(a), but determined without regard to any additional payment required under this Section 9(b), (collectively, the "Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties payable with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then Executive's benefits under this Agreement shall be either: (1) delivered in full, or (2) delivered as to such lesser extent which would result in no portion of such benefits being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by Employee on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code.

(c) The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the Change of Control shall perform the foregoing calculations. If the accounting firm so engaged by the Company is also serving as accountant or auditor for the individual, entity or group which will control the Company upon the occurrence of a Change of Control, the Company shall appoint a nationally recognized accounting firm other than the accounting firm engaged by the Company for general audit purposes to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder.

(d) The accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and

Executive within thirty (30) calendar days after the date on which such accounting firm has been engaged to make such determinations or such other time as requested by the Company or Executive. Any good faith determinations of the accounting firm made hereunder shall be final, binding, and conclusive upon the Company and Executive.

10. Definitions.

(a) Benefit Plans. For purposes of this Agreement, “Benefit Plans” means plans, policies, or arrangements that SunPower sponsors (or participates in) and that immediately prior to Executive’s termination of employment provide Executive and Executive’s eligible dependents with medical, dental, or vision benefits. Benefit Plans do not include any other type of benefit (including, but not by way of limitation, financial counseling, disability, life insurance, or retirement benefits). A requirement that the Company provide Executive and Executive’s eligible dependents with (or reimburse for) coverage under the Benefit Plans will not be satisfied unless the coverage is no less favorable than that provided to Executive and Executive’s eligible dependents immediately prior to Executive’s termination of employment; provided, however, that the Company may reduce coverage under the Benefit Plans if such reduction is applicable to all other senior executives of SunPower and its subsidiaries. Subject to the immediately preceding sentence, the Company may, at its option, satisfy any requirement that the Company provide (or reimburse for) coverage under any Benefit Plan by instead providing (or reimbursing for) coverage under a separate plan or plans providing coverage that is no less favorable or by paying Executive a lump-sum payment which is, on an after-tax basis, sufficient to provide Executive and Executive’s eligible dependents with equivalent coverage under a third party plan that is reasonably available to Executive and Executive’s eligible dependents.

(b) Cause. For purposes of this Agreement, “Cause” means (i) acts or omissions constituting gross negligence or willful misconduct on the part of Executive with respect to Executive’s obligations or otherwise relating to the business of Company, (ii) Executive’s (A) felony conviction of, or felony plea of nolo contendere for, fraud, misappropriation or embezzlement, or a felony crime of moral turpitude, or (B) conviction of fraud, misappropriation or embezzlement,, (iii) Executive’s violation or breach of any fiduciary duty, or (iv) Executive’s violation or breach of any contractual duty to the Company which duty is material to the performance of the Executive’s duties or results in material damage to the Company or its business; provided that if any of the foregoing events is capable of being cured, the Company will provide notice to Executive describing the nature of such event and Executive will thereafter have thirty (30) days to cure such event.

(c) Change of Control. For purposes of this Agreement, “Change of Control” means (i) a sale of all or substantially all of the Company’s or SunPower’s assets, (ii) any merger, consolidation, or other business combination transaction of the Company or SunPower with or into another corporation, entity, or person, other than a transaction in which the holders of at least a majority of the shares of voting capital stock of the Company or SunPower outstanding immediately prior to such transaction continue to hold (either by such shares remaining outstanding or by their being converted into shares of voting capital stock of the surviving entity) a majority of the total voting power represented by the shares of voting capital stock of the Company or SunPower (or the respective surviving entity) outstanding immediately after such transaction, (iii) the direct or indirect acquisition (including by way of a tender or

exchange offer) by any person, or persons acting as a group, of beneficial ownership or a right to acquire beneficial ownership of shares representing a majority of the voting power of the then outstanding shares of capital stock of the Company or SunPower, (iv) a contested election of directors, as a result of which or in connection with which the persons who were directors before such election or their nominees cease to constitute a majority of the Board, or (v) a dissolution or liquidation of the Company or SunPower. Notwithstanding anything to the contrary in the foregoing, any pro rata distribution (or retirement and pro rata issuance) of shares of SunPower stock held by SunPower's corporate parent, Cypress Semiconductor, Inc. ("Cypress") to the existing public shareholders of Cypress (in proportion to their shareholdings of Cypress) shall not constitute a Change of Control.

(d) Disability. For purposes of this Agreement, Disability shall have the same defined meaning as in the Company's long-term disability plan.

(e) Good Reason. For purposes of this Agreement, "Good Reason" means the occurrence of any of the following without Executive's express prior written consent: (i) a material reduction in Executive's position (other than as a result of a change of the Company from a subsidiary to a division of SunPower) or duties after the Amendment Date, (ii) a material breach of this Agreement, which the Company has not cured within thirty (30) days after receipt of written notice of such breach from Executive, (iii) a reduction in Executive's Base Salary and Target Bonus excluding a reduction that is applied to substantially all of the Company's and SunPower's other senior executives; provided, however, that for purposes of this clause (iii) whether a reduction in Target Bonus has occurred shall be determined without any regard to any actual bonus payments made to Executive, (iv) a material reduction in the aggregate level of benefits made available to Executive other than a reduction that also is applied to substantially all of the Company's and SunPower's other senior executives, or (v) a relocation of Executive's primary place of business for the performance of his duties to the Company to a location that is more than thirty-five (35) miles from the Company's current business location in Berkeley, California.

(f) In Connection with a Change of Control. For purposes of this Agreement, a termination of Executive's employment with the Company is "in Connection with a Change of Control" if Executive's employment terminates during the period beginning three (3) months prior to a Change of Control and ending eighteen (18) months following a Change of Control.

11. Indemnification and Insurance. Executive will be covered under the Company's insurance policies and, subject to applicable law, will be provided indemnification to the maximum extent permitted by the Company's bylaws and Articles of Incorporation, with such insurance coverage and indemnification to be in accordance with the Company's standard practices for senior executive officers but on terms no less favorable than provided to any other Company senior executive officer or director.

12. Confidential Information. Executive acknowledges that the Employee Proprietary Information and Inventions Agreement between Executive and the Company (the "Confidential Information Agreement") will continue in effect. During the Employment Term, Executive agrees to execute any updated versions of the Company's form of Confidential Information Agreement (any such updated version also referred to as the "Confidential Information Agreement") as may be required of substantially all of the Company's executive officers.

13. Assignment. This Agreement will be binding upon and inure to the benefit of (a) the heirs, executors, and legal representatives of Executive upon Executive's death, and (b) any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation, or other business entity which at any time, whether by purchase, merger, or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. None of the rights of Executive to receive any form of compensation payable pursuant to this Agreement may be assigned or transferred except by will or the laws of descent and distribution. Any other attempted assignment, transfer, conveyance, or other disposition of Executive's right to compensation or other benefits will be null and void.

14. Notices. All notices, requests, demands, and other communications called for hereunder will be in writing and will be deemed given (a) on the date of delivery if delivered personally, (b) one day after being sent by a well established commercial overnight service, or (c) four days after being mailed by registered or certified mail, return receipt requested, prepaid and addressed to the parties or their successors at the following addresses, or at such other addresses as the parties may later designate in writing:

If to the Company:

Attn: Chief Executive Officer
SunPower Corporation
3939 North First Street
San Jose, CA 95134

If to Executive, at the last known residential address on file with the Company.

15. Severability. If any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement will continue in full force and effect without said provision.

16. Arbitration. The Parties agree that any and all disputes arising out of the terms of this Agreement, their interpretation, and any of the matters herein released, shall be subject to binding arbitration in Alameda County before the American Arbitration Association under its National Rules for the Resolution of Employment Disputes, supplemented by the California Code of Civil Procedure. The Parties agree that the prevailing party in any arbitration shall be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award. **The Parties hereby agree to waive their right to have any dispute between them resolved in a court of law by a judge or jury.** This paragraph will not prevent either party from seeking injunctive relief (or any other provisional remedy) from any court having jurisdiction over the Parties and the subject matter of their dispute relating to Executive's obligations under this Agreement and the Confidentiality Information Agreement.

17. Integration and Existing Agreement. All of the Company's and Executive's respective rights and obligations under the original Agreement dated as of the Effective Date shall continue in effect and survive the amendments made herein with respect to all periods and

events occurring through the date the Merger is consummated. This Agreement as amended and restated, together with the Confidential Information Agreement and Executive's equity award agreements, represents the entire agreement and understanding between the parties as to the subject matter herein and supersedes all prior or contemporaneous agreements whether written or oral, except as provided for in the preceding sentence. In the event of any conflict between this Agreement and the Confidential Information Agreement or Executive's equity award agreements, this Agreement shall prevail. No waiver, alteration, or modification of any of the provisions of this Agreement will be binding unless in writing that specifically references this Section and is signed by duly authorized representatives of the parties hereto. Notwithstanding the preceding sentence, both the Company and Executive agree to amend this Agreement with respect to the timing of payments if the Board determines that an amendment is necessary to prevent the imposition of additional tax liability under Section 409A of the Internal Revenue Code of 1986, as amended.

18. Waiver of Breach. The waiver of a breach of any term or provision of this Agreement, which must be in writing, will not operate as or be construed to be a waiver of any other previous or subsequent breach of this Agreement.

19. Survival. The Confidential Information Agreement, and the Company's and Executive's responsibilities under Sections 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 19 and 22 will survive the termination of this Agreement.

20. Headings. All captions and Section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

21. Tax Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable taxes.

22. Governing Law. This Agreement will be governed by the laws of the State of California (with the exception of its conflict of laws provisions).

23. Acknowledgment. Executive acknowledges that he has had the opportunity to discuss this matter with and obtain advice from his private attorney, has had sufficient time to, and has carefully read and fully understands all the provisions of this Agreement, and is knowingly and voluntarily entering into this Agreement.

24. Counterparts. This Agreement may be executed in counterparts, and each counterpart will have the same force and effect as an original and will constitute an effective, binding agreement on the part of each of the undersigned.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by a duly authorized officer, as of November 15, 2006.

COMPANY:

EXECUTIVE:

PowerLight LLC

By: SunPower Corporation, its sole member

By: /s/ Emmanuel T. Hernandez

/s/ Bruce R. Ledesma

Name: Emmanuel T. Hernandez

Bruce R. Ledesma

Its: Chief Financial Officer

**FORM OF
EQUITY RESTRICTION AGREEMENT**

This EQUITY RESTRICTION AGREEMENT (this “**Agreement**”) is made as of November 1, 2006, by and between SunPower Corporation, a Delaware corporation (“**Parent**”), and • (“**Equity Holder**”). Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Merger Agreement (as defined below).

BACKGROUND

A. Concurrently with the execution of this Agreement, Parent, Pluto Acquisition Company LLC, a Delaware limited liability company and a direct wholly owned subsidiary of Parent (“**Merger Sub**”), PowerLight Corporation, a California corporation (the “**Company**”), and Thomas L. Dinwoodie, as the representative of certain of the Company’s shareholders, entered into an Agreement and Plan of Merger (the “**Merger Agreement**”) pursuant to which the Company has agreed, subject to the conditions set forth in the Merger Agreement, to merge with and into Merger Sub with Merger Sub surviving as a wholly owned subsidiary of Parent (the “**Merger**”).

B. If the Merger is approved by the requisite vote of the shareholders of the Company and the Merger is consummated, in connection with the Merger, in exchange for the shares of Company Capital Stock held by Equity Holder, Equity Holder will receive pursuant to Section 1.4 of the Merger Agreement a cash amount and shares of Parent Common Stock (the “**Shares**”).

C. If the Merger is approved by the requisite vote of the shareholders of the Company and the Merger is consummated, in connection with the Merger, the portion of each option held by Equity Holder to acquire shares of Company Common Stock that is vested as of immediately after the Effective Time of the Merger shall be converted into the right to receive a cash amount and an option to acquire Shares, the terms of which are set forth in Section 4.14(a)(i) of the Merger Agreement (a “**Vested Parent Stock Option**”).

D. As a condition to the closing of the transactions contemplated by the Merger Agreement, the Merger Agreement contemplates, among other things, that Equity Holder shall enter into this Agreement concurrently with the execution of the Merger Agreement and that this Agreement will become effective, if the Merger is approved by the requisite vote of the shareholders of the Company and the Merger is consummated, at the Effective Time.

E. Of Equity Holder’s combined total number of Shares described in B above and issuable upon exercise of Vested Parent Stock Options described in C above (the “**Combined Shares**”), 50% of such aggregate number (determined in accordance with Section 2(b), the “**Restricted Shares**”) shall be subject to the Repurchase Option and other restrictions as set forth in this Agreement and 50% (including all shares deposited into the Stock Escrow Fund pursuant to Section 1.4 of the Merger Agreement) shall not be subject to the Repurchase Option or other restrictions set forth in this Agreement (the “**Unrestricted Shares**”). To the extent that the term “Restricted Shares” refers to Shares issuable upon exercise of a Vested Parent Stock Option, the Repurchase Option shall be exercisable against the Vested Parent Stock Option itself, without the payment of any monetary consideration, to the extent that such option has not been exercised, and the term “Restricted Shares” shall mean the Vested Parent Stock Option.

AGREEMENT

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

1. *Definitions.*

For purposes of this Agreement:

(a) “**Cause**” means (i) acts or omissions constituting gross negligence or willful misconduct on the part of Equity Holder with respect to Equity Holder’s obligations or otherwise relating to the business of Parent or the Company, (ii) Equity Holder’s (A) felony conviction of, or felony plea of nolo contendere for, fraud, misappropriation or embezzlement, or a felony crime of moral turpitude, or (B) conviction of fraud, misappropriation or embezzlement, (iii) Equity Holder’s violation or breach of any fiduciary duty, or (iv) Equity Holder’s violation or breach of any contractual duty to Parent or the Company which duty is material to the performance of the Equity Holder’s duties or results in material damage to Parent, the Company or their business; *provided* that if any of the foregoing events is capable of being cured, Parent will provide notice to Equity Holder describing the nature of such event and Equity Holder will thereafter have 30 days to cure such event.

(b) “**disability**” means Equity Holder’s failure to perform the essential functions of Equity Holder’s position for a period of six months, with or without reasonable accommodation, due to a disability, which, in the opinion of a qualified physician, is reasonably likely to be continuous or permanent for the remainder of Equity Holder’s life.

(c) “**Good Reason**” means the occurrence of any of the following without Equity Holder’s express prior written consent: (i) a material reduction in Equity Holder’s position or duties after the Closing Date, (ii) a material breach of the Equity Holder’s employment agreement, unless such breach becomes cured by the Parent within 30 days after notice of such breach from the Equity Holder, (iii) a reduction in Equity Holder’s then-current base salary and target bonus, excluding a reduction that is applied to substantially all of Parent’s and the Company’s other senior executives, determined without regard to any actual bonus payments made to Equity Holder, (iv) a material reduction in the aggregate level of benefits made available to Equity Holder other than a reduction applied to substantially all of Parent’s and the Company’s other senior executives, (v) a relocation of Equity Holder’s primary place of business to a location that is more than 35 miles from the Company’s current location in Berkeley, California, or (vi) with respect to only Mr. Dinwoodie, a change in his reporting responsibility after the Effective Time of the Merger.

(d) “**Transfer**” means (a) any offer, pledge, sale, contract to sell, sale of any option or contract to purchase, purchase of any option or contract to sell, grant of any option, right or warrant to purchase, lending or other transfer or disposition of, directly or indirectly, any shares of Parent Common Stock or any securities convertible into or exercisable or exchangeable for Parent Common Stock, or (b) the entering into of any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Parent Common Stock, whether any such transaction described in clause (a) or (b) above is to be settled by delivery of Parent Common Stock or such other securities, in cash or otherwise.

2. *Restricted Shares Subject to Repurchase Option.* If the Merger is approved by the requisite vote of the shareholders of the Company and the Merger is consummated, as of the Effective Time:

(a) In the event of any (i) voluntary termination by Equity Holder of Equity Holder’s employment with Parent other than for Good Reason, or (ii) involuntary termination of Equity Holder’s employment with Parent by Parent for Cause, in each case before all of the Restricted Shares are released from the Repurchase Option (see Section 2(b) below), Parent shall, upon the date of such termination have an irrevocable option (the “**Repurchase Option**”) for a period of 90 days from such date to repurchase all or any portion of the Restricted Shares which are, at the date of such termination, Unreleased Shares (as defined in Section 2(b) below) at \$0.01 per share (the “**Repurchase Price**”). For purposes of this Agreement, Equity Holder shall be deemed to be employed by Parent if Equity Holder is employed by Parent or any of its Subsidiaries. For the sake of clarity, to the extent that the term “Restricted Shares” refers to Shares issuable upon exercise of a Vested Parent Stock Option, the Repurchase Option shall be exercisable against the Vested Parent Stock Option itself, without the payment of any monetary consideration, to the extent that such option has not been exercised, and the term “Restricted Shares” shall mean the Vested Parent Stock Option.

(b) Subject to Section 2(h), one-fourth of the Restricted Shares shall be released from the Repurchase Option on the date that is six months after the Closing Date, one-fourth of the Restricted Shares shall be released from the Repurchase Option on the date that is 12 months after the Closing Date, one-fourth of the Restricted Shares shall be released from the Repurchase Option on the date that is 18 months after the Closing Date, and one-fourth of the Restricted Shares shall be released from the Repurchase Option on the date that is 24 months after the Closing Date; *provided* that Equity Holder’s employment by Parent has not been terminated under the circumstances described in Section 2(a) above prior to the date of any such release. Any of the Restricted Shares that have not yet been released from the Repurchase Option are referred to herein as “**Unreleased Shares.**” Notwithstanding anything to the contrary herein, (i) in determining which shares of the Combined Shares constitute Restricted Shares, shares issuable upon exercise of Vested Parent Stock Options shall be counted first, and Shares issued pursuant to Section 1.4 of the Merger Agreement shall constitute Restricted Shares second and only to the extent that the number of shares issuable upon exercise of Vested Parent Stock Options received by the Equity Holder as described in Recital C is less than 50% of the aggregate number of Combined Shares, and (ii) for purposes of determining whether any share of the Combined Shares which the Equity Holder Transfers or attempts to Transfer is a Restricted Share or an

Unrestricted Share, such Share shall be deemed to be an Unrestricted Share unless and until such Equity Holder Transfers or attempts to Transfer a number of shares equal to the number of Unrestricted Shares then held by such Equity Holder, after which all remaining shares of the Combined Shares shall be deemed to be Restricted Shares.

(c) The Repurchase Option shall be exercised by Parent by written notice to Equity Holder (with a copy to the Escrow Agent (as defined below)) and by delivery to Equity Holder with such notice of a check in the amount (the "**Total Purchase Price**") of the product of (i) the Repurchase Price, and (ii) the number of the Unreleased Shares being repurchased. Upon delivery of such notice and the payment of the Total Purchase Price, Parent shall become the legal and beneficial owner of the Unreleased Shares being repurchased and all rights and interests therein or relating thereto, and Parent shall have the right to retain and transfer to its own name the Unreleased Shares being repurchased by Parent. Whenever Parent shall have the right to repurchase Unreleased Shares hereunder, Parent may designate and assign one or more employees, officers, directors or equity holders of Parent or other persons or organizations to exercise all or a part of Parent's purchase rights under this Agreement and purchase all or a part of such Unreleased Shares.

(d) Equity Holder agrees to deliver the certificate(s) evidencing the Restricted Shares, together with a stock assignment in the form attached hereto as *Exhibit A* with respect to such Restricted Shares (as such shares are issued to Equity Holder), executed by Equity Holder (with the date and number of shares left blank), to an escrow holder designated by Parent (the "**Escrow Agent**"). The certificate(s) and stock assignment are to be held by the Escrow Agent pursuant to the Joint Escrow Instructions of Parent and Equity Holder set forth in *Exhibit B* attached hereto, which instructions shall also be delivered to the Escrow Agent. The Escrow Agent shall have no liability for any act or omission hereunder while acting in good faith.

(e) Subject to the terms hereof, Equity Holder shall have all the rights of an Equity Holder with respect to the Restricted Shares while they are held in escrow, including without limitation, the right to vote the Restricted Shares and to receive any cash dividends declared thereon. If, from time to time during the term of the Repurchase Option, there is (i) any stock dividend, stock split or other change in the Restricted Shares, or (ii) any merger or sale of all or substantially all of the assets or other acquisition of Parent where the Unreleased Shares are not released from the Repurchase Option, then any and all new, substituted or additional securities to which Equity Holder is entitled by reason of Equity Holder's ownership of the Restricted Shares shall be immediately subject to this escrow, deposited with the Escrow Agent and included thereafter as "Restricted Shares" for purposes of this Agreement and the Repurchase Option.

(f) Except as otherwise provided in this Section 2(f), Equity Holder agrees that none of the Restricted Shares (or any beneficial interest therein) shall be Transferred in any way until such Restricted Shares are released from the Repurchase Option in accordance with this Agreement. Notwithstanding the foregoing, Equity Holder may transfer the Restricted Shares, in whole or in part, to a spouse or lineal descendant (a "Family Member"), a trust for the exclusive benefit of Equity Holder and/or Family Members, or a partnership or other entity in which all the beneficial owners are Equity Holder and/or Family Members, provided that the transferee agrees to be bound by the terms of this Agreement.

(g) The share certificate evidencing the Restricted Shares issued hereunder shall be endorsed with the following legend:

THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF A STOCK RESTRICTION AGREEMENT BETWEEN THE COMPANY AND THE HOLDER OF THE SHARES REPRESENTED BY THIS CERTIFICATE, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE CORPORATION.

3. Notwithstanding anything to the contrary in this Agreement, in the event of any (i) voluntary termination by Equity Holder of Equity Holder's employment with Parent for Good Reason, (ii) involuntary termination of Equity Holder's employment with Parent by Parent without Cause, or (iii) termination of Equity Holder's employment by reason of death or disability, before all of the Restricted Shares are released from the Repurchase Option, the Repurchase Option shall immediately terminate and all Shares which are Unreleased Shares shall thereupon be released from the Repurchase Option. Upon request from Equity Holder, Parent shall within two business days inform the Escrow Agent immediately that the Repurchase Option has terminated and instruct the Escrow Agent to release all Restricted Shares remaining in escrow with the Escrow Agent to Equity Holder. In the event a dispute arises between Equity Holder and Parent as to whether (x) any voluntary resignation by Equity Holder was or was not with Good Reason or (y) whether any involuntary termination of Equity Holder's employment was or was not

with Cause, the Escrow Agent shall continue to hold all Restricted Shares which were Unreleased Shares at the time Equity Holder's employment terminated until such time as either Equity Holder and Parent resolve such dispute and jointly instruct Escrow Agent on the release of any such Restricted Shares or such dispute is resolved in accordance with the provisions of Section 7(j).

4. *Tax Consequences.* Equity Holder has reviewed with Equity Holder's own tax advisors the federal, state, local and foreign tax consequences of this Agreement, including the availability and consequences of an election under Section 83(b) of the Internal Revenue Code of 1986, as amended, and shall timely file such an election as to any Shares that constitute Restricted Shares (as determined pursuant to clause (i) of the last sentence of Section 2(b)). Equity Holder is relying solely on such advisors and not on any statements or representations of Parent or any of its agents. Equity Holder understands that Equity Holder (and not Parent) shall be responsible for Equity Holder's own tax liability that may arise as a result of this Agreement.

5. *Termination.* If the Merger Agreement is terminated, this Agreement shall be of no further force and effect.

6. *General Provisions.*

(a) The parties hereto acknowledge that this Agreement is not an offer of securities and that the parties' execution of this Agreement does not indicate a commitment to buy or sell securities. By signing this Agreement, Equity Holder is not committing to vote in favor of the Merger; Equity Holder's vote for or against the Merger will be conducted separately.

(b) This Agreement may not be changed or modified, except by an agreement in writing executed by Parent and Equity Holder.

(c) Any party hereto may, to the extent legally allowed, waive compliance with any of the agreements or conditions for the benefit of such party contained herein. Any agreement on the part of a party hereto to any such waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. Without limiting the generality or effect of the preceding sentence, no delay in exercising any right under this Agreement shall constitute a waiver of such right, and no waiver of any breach or default shall be deemed a waiver of any other breach or default of the same or any other provision in this Agreement.

(d) All notices and other communications hereunder shall be in writing and shall be deemed given when delivered personally, one business day after having been dispatched by a nationally recognized overnight courier service or when sent via facsimile (with acknowledgment of complete transmission) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(i) if to Parent:

SunPower Corporation
3939 North First Street
San Jose, California 95134
Attention: Emmanuel Hernandez
Facsimile No.: 408.739.7713
Telephone No.: 408.240.5500

with a copy (which shall not constitute notice) to:

Jones Day
2882 Sand Hill Road, Suite 240
Menlo Park, California 94025
Attention: Daniel R. Mitz
Sean M. McAvoy
Facsimile No.: 650.739.3900
Telephone No.: 650.739.3939

after January 5, 2007 to:

Jones Day
1755 Embarcadero Road
Palo Alto, California 94303
Attention: Daniel R. Mitz
Sean M. McAvoy
Facsimile No.: 650.739.3900
Telephone No.: 650.739.3939

(ii) if to Equity Holder, at the address set forth on the signature page hereto.

(e) The headings and captions in this Agreement are for reference only and shall not be used in the construction or interpretation of this Agreement.

(f) This Agreement may be executed in one or more counterparts (whether delivered by facsimile or otherwise), each of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other parties hereto; it being understood that all parties hereto need not sign the same counterpart.

(g) This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

(h) Because the nature of the Agreement is specific to the actions of Equity Holder, Equity Holder may not assign this Agreement. Parent may assign this Agreement or any of the rights, interests or obligations of Parent hereunder to any direct or indirect Subsidiary of Parent without prior written consent of Equity Holder. This Agreement shall inure to the benefit of Parent and its successors and assigns.

(i) Any term or provision of this Agreement that is held by a court of competent jurisdiction to be invalid, void or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof in any other jurisdiction. If the final judgment of such court declares that any term or provision hereof is invalid, void or unenforceable, the parties agree to reduce the scope, duration, area or applicability of the term or provision, to delete specific words or phrases, or to replace any invalid, void or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the original intention of the invalid or unenforceable term or provision.

(j) This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of California, irrespective of the choice of laws principles of the State of California, as to all matters, including, without limitation, matters of validity, construction, effect, enforceability, performance and remedies. Each party hereto agrees that process may be served upon such party in any manner authorized by the laws of the State of California for such party and waives and covenants not to assert or plead any objection that such party might otherwise have to such jurisdiction and such process.

(k) Equity Holder agrees upon request to execute any further documents or instruments necessary or desirable to carry out the purposes or intent of this Agreement.

(l) EQUITY HOLDER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT AND THE VESTING ARRANGEMENT SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS AN EMPLOYEE OR CONSULTANT FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE WITH EQUITY HOLDER'S RIGHT OR PARENT'S RIGHT TO TERMINATE EQUITY HOLDER'S EMPLOYMENT RELATIONSHIP AT ANY TIME, WITH OR WITHOUT CAUSE.

[Signature Page Follows.]

IN WITNESS WHEREOF, the parties have duly executed this Equity Restriction Agreement as of the day, month and year first set forth above.

Equity Holder:

Name:

Address:

Facsimile No.:

E-mail Address:

SUNPOWER CORPORATION

By: _____

Name: _____

Title: _____

EXHIBIT A

STOCK POWER AND ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED I, _____ (**“Equity Holder”**), hereby sell, assign and transfer unto (_____) shares of common stock of SunPower Corporation, a Delaware corporation (**“Parent”**), standing in my name on the books of said corporation represented by Certificate No. _____ herewith and do hereby irrevocably constitute and appoint _____, as the undersigned’s attorney-in-fact, with full power of substitution in the premises, to transfer the said shares of common stock on the books of Parent.

This assignment may be used only in accordance with the Stock Restriction Agreement by and between Parent and the undersigned dated as of _____, 2006, as may be amended and/or restated from time to time, and any exhibits and amendments thereto.

Date:

Equity Holder:

(Signature)

(Print Name)

Instructions to Equity Holder: Please do not fill in any blanks other than the signature and printed name lines. The purpose of this Stock Power and Assignment is to enable the Company and/or its assignee(s) to acquire the shares upon exercise of its “Repurchase Option” set forth in the Agreement without requiring additional signatures on the part of Equity Holder.

JOINT ESCROW INSTRUCTIONS

, 2006

SunPower Corporation
3939 North First Street
San Jose, California 95134
Attention: Corporate Secretary

Dear _____ :

As Escrow Agent for both SunPower Corporation (“**Parent**”) and _____ (“**Equity Holder**”), you are hereby authorized and directed to hold the documents delivered to you pursuant to the terms of that certain Equity Restriction Agreement (the “**Agreement**”), dated as of the date hereof, to which a copy of these Joint Escrow Instructions is attached, in accordance with the following instructions:

1. In the event that Parent and/or any assignee of Parent (collectively, “**Parent**”) exercises the Repurchase Option (as such term is defined in the Agreement), Parent shall give to Equity Holder and you a written notice specifying the Restricted Shares (as such term is defined in the Agreement) to be purchased, the purchase price and the time for a closing hereunder at the principal office of Parent. Equity Holder and Parent hereby irrevocably authorize and direct you to close the transaction contemplated by such notice in accordance with the terms of said notice.

2. Upon the issuance of the Restricted Shares, you are directed (a) to date the stock assignments necessary for the transfer in question, (b) to fill in the Restricted Shares being transferred, and (c) to deliver the same, together with the certificate evidencing the Restricted Shares to be transferred, to Parent against the simultaneous delivery to you of the purchase price (by check, by cancellation of indebtedness or by a combination thereof) for the Restricted Shares being purchased pursuant to the exercise of the Repurchase Option.

3. Equity Holder irrevocably authorizes Parent to deposit with you any certificates evidencing Restricted Shares to be held by you hereunder and any additions and substitutions to said shares as defined in the Agreement. Equity Holder does hereby irrevocably constitute and appoint you as his attorney-in-fact and agent for the term of this escrow to execute with respect to such securities all documents necessary or appropriate to make such securities negotiable and to complete any transaction herein contemplated. Subject to the provisions of this paragraph 3, Equity Holder shall exercise all rights and privileges of a stockholder of Parent while the Restricted Shares are held by you.

4. After each successive six-month period from the date of the Agreement, unless the Repurchase Option has been exercised, you will deliver to Equity Holder a certificate or certificates representing the Restricted Shares as are not then subject to the Repurchase Option. Promptly upon the termination of Equity Holder’s status as an employee of Parent or the death or disability (as such term is defined in the Agreement) of Equity Holder, you will deliver to Equity Holder a certificate or certificates representing the Restricted Shares sold and issued pursuant to the Agreement and not purchased by Parent or its assignees pursuant to exercise of the Repurchase Option.

5. If, at the time of termination of this escrow, you should have in your possession any documents, securities, or other property belonging to Equity Holder, you shall deliver all of same to Equity Holder and shall be discharged of all further obligations hereunder.

6. Your duties hereunder may be altered, amended, modified or revoked only by a writing signed by all of the parties hereto.

7. You shall be obligated only for the performance of such duties as are specifically set forth herein and may rely and shall be protected in relying or refraining from acting on any instrument reasonably believed by you to be genuine and to have been signed or presented by the proper party or parties. You shall not be personally liable for any act you may do or omit to do hereunder as Escrow Agent or as attorney-in-fact for Equity Holder while acting in good faith and in the exercise of your own good judgment, and any act done or omitted by you pursuant to the advice of your own attorneys shall be conclusive evidence of such good faith. Equity holder and Parent hereby jointly and severally indemnify you and hold you harmless from any such liability.

8. You are hereby expressly authorized to disregard any and all warnings given by any of the parties hereto or by any other person or corporation, excepting only orders or process of courts of law, and are hereby expressly authorized to comply with and obey orders, judgments or decrees of any court. In case you obey or comply with any such order, judgment or decree, you shall not be liable to any of the parties hereto or to any other person, firm or corporation by reason of such compliance, notwithstanding any such order, judgment or decree being subsequently reversed, modified, annulled, set aside, vacated or found to have been entered without jurisdiction.

9. You shall not be liable in any respect on account of the identity, authorities or rights of the parties executing or delivering or purporting to execute or deliver the Agreement or any documents or papers deposited or called for hereunder.

10. You shall not be liable for the outlawing of any rights under any applicable statute of limitations with respect to these Joint Escrow Instructions or any documents deposited with you.

11. You shall be entitled, at Parent's expense, to employ such legal counsel and other experts as you may deem necessary properly to advise you in connection with your obligations hereunder, may rely upon the advice of such counsel, and may pay such counsel reasonable compensation therefor.

12. Your responsibilities as Escrow Agent hereunder shall terminate if you shall resign by written notice to each party. In the event of any such termination, Parent shall appoint a successor Escrow Agent.

13. If you reasonably require other or further instruments in connection with these Joint Escrow Instructions or obligations in respect hereto, the necessary parties hereto shall join in furnishing such instruments.

14. It is understood and agreed that should any dispute arise with respect to the delivery and/or ownership or right of possession of the securities held by you hereunder, you are authorized and directed to retain in your possession without liability to anyone all or any part of said securities until such disputes shall have been settled either by mutual written agreement of the parties concerned or by a final order, decree or judgment of a court of competent jurisdiction, but you shall be under no duty whatsoever to institute or defend any such proceedings.

15. All notices and other communications required or permitted hereunder shall be given in accordance with Section 7(d) of the Agreement. All such notices or other communications shall be directed (i) in the case of Parent or Equity Holder, to the address, facsimile number or electronic mail address indicated for such person on the signature page of the Agreement, or at such other address, facsimile number or electronic mail address as such party may designate by ten days' advance written notice to the other parties hereto, and (ii) in the case of the Escrow Agent, shall be directed to the address or facsimile number first indicated above on these Joint Escrow Instructions or at such other address or facsimile number as such party may designate by ten days' advance written notice to the other parties hereto.

16. By signing these Joint Escrow Instructions, you become a party hereto only for the purpose of said Joint Escrow Instructions; you do not become a party to the Agreement.

17. This instrument shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and permitted assigns.

18. This instrument may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Facsimile copies of signed signature pages shall be binding originals.

19. This instrument shall be governed by and construed in accordance with the internal laws of the State of California, excluding that body of laws pertaining to conflict of laws.

[Signatures Follow]

Very truly yours,

SUNPOWER CORPORATION

By: _____
Its: _____
Address: _____

EQUITY HOLDER

Name: _____
Address: _____

ESCROW AGENT

By: _____
Its: _____
Address: _____

Contacts:

Julie Blunden
SunPower Corp.
408-240-5577

Susan DeVico
SunPower Corp.
510-339-1527

SunPower Closes PowerLight Acquisition***SunPower to Announce Fourth-Quarter, Year-end 2006 Results on January 25, 2007***

SAN JOSE, Calif., January 10, 2007 – SunPower Corporation (NASDAQ: SPWR), a Silicon Valley-based manufacturer of the world's highest-efficiency, commercially available solar cells and solar panels, today announced the closing of its acquisition of PowerLight Corp., a privately owned solar power systems provider based in Berkeley, Calif.

The PowerLight acquisition is expected to be immediately accretive to SunPower's non-GAAP earnings.¹ PowerLight is a leading global provider of large-scale solar power systems, delivering over a decade of experience and financial value to commercial, public sector, utility and residential customers. PowerLight has designed and deployed hundreds of large-scale solar systems with a total capacity of more than 100 megawatts. SunPower intends to file a registration statement with the United States Securities and Exchange Commission to register the shares of SunPower's common stock issued in connection with the acquisition for resale by PowerLight shareholders.

SunPower will be hosting a conference call to discuss fourth-quarter and year-end 2006 results, PowerLight 2006 results and guidance for the combined company at 10:30 a.m. Pacific Standard Time on Thursday, January 25, 2007 which can be accessed by dialing +1-517-623-4618, passcode SunPower. The event will also be broadcast over the Internet and can be accessed through SunPower's web site at <http://investors.sunpowercorp.com/>. The webcast will be archived for two weeks following the event. Full text of the press release and supplemental financial information will be made available on the SunPower web site at <http://investors.sunpowercorp.com/> on the morning of the conference call.

¹ The PowerLight acquisition is expected to be dilutive to SunPower's GAAP earnings until 2009 as a result of amortization charges from intangible assets and stock-based compensation.

“With the acquisition of PowerLight, SunPower seeks to offer our investors accelerated revenue growth and market diversification as we deliver faster solar system innovation to our customers,” said Tom Werner, SunPower CEO. “Together, we plan to reduce the installed cost of a solar system by half over the next five years. When we achieve that goal, we believe our solar systems will produce power that can compete with retail electric rates and become a mainstream energy resource. Radically simplifying and improving the customer experience is a crucial step to reducing solar power costs. The downstream or customer delivery portion of the value chain represents up to 50 percent of today’s installed solar system cost. We believe that we can accelerate downstream efficiency gains by combining the technology portfolios, supply chains, product development expertise and services of our two companies.”

As specified in the merger agreement, the total consideration for the acquisition is \$265 million plus stock-based employee retention amounts totaling \$67.5 million which vest over two to four years. The aggregate consideration consists of approximately \$130.0 million in cash and \$202.5 million in stock and is expected to result in a tax-free merger for PowerLight’s shareholders. The stock portion of the purchase consideration is subject to final determination for accounting purposes and is likely to be higher than the amounts specified above based on the Company’s recent stock price.

PowerLight is a wholly-owned subsidiary of SunPower. In the U.S., Germany, Spain, Portugal, Italy, and Korea, PowerLight designs, develops, operates and maintains solar electric power plants ranging from one megawatt to more than 10 megawatts, including two of the world’s largest solar electric power plants. In North America, PowerLight is a leading integrator of large, multi-hundred-kilowatt commercial rooftop and ground-mounted solar power plants in California, New Jersey, Nevada, and Hawaii. PowerLight’s SunTile® integrates SunPower’s high-efficiency solar cells directly into roofing material as part of a complete residential solar system solution selected by more than a dozen leading production homebuilders in California. SunPower now has 1,600 employees in ten sales offices and four manufacturing locations worldwide.

About SunPower

SunPower Corp. (NASDAQ: SPWR) designs, manufactures and markets high-performance solar electric technology worldwide. SunPower’s high-efficiency solar cells and panels generate up to 50 percent more power per unit area than conventional solar technologies and have a uniquely attractive, all-black appearance. SunPower’s PowerLight subsidiary is a leading global provider of large-scale solar power systems, with over 100 megawatts installed. For more information on SunPower please visit the SunPower website at www.sunpowercorp.com. SunPower is a majority-owned subsidiary of Cypress Semiconductor Corp. (NYSE: CY).

Forward Looking Statement

This press release contains forward looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward looking statements are statements that do not represent historical facts. We use words such as “believes,” “plans” and “expects” and similar expressions to identify forward-looking statements. Forward-looking statements in this press release include, but are not limited to, statements related to the benefits of the proposed transaction between SunPower and PowerLight; our plans and expectations for financial performance, including the accretive or dilutive nature of the transaction and the projected increase in revenue growth as a result of the acquisition, our ability to meet our long term financial model; and the development and future cost structure of the solar power industry, including our ability to reduce the installed cost of a solar system in half over the next five years or to compete with retail electric rates in the future. These forward-looking statements are based on information available to us as of the date of this release 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. In particular, risks and uncertainties that could cause actual results to differ include difficulties encountered in integrating the merged businesses; the possibility that expected synergies and cost savings will not be obtained; the uncertainty of business and economic conditions and growth trends in the solar power industry; our ability to obtain adequate supply of polysilicon and silicon ingots to manufacture our products and the price we pay for such material, our ability to ramp new production lines, our ability to realize expected manufacturing efficiencies, the possibility of production difficulties, the risk of continuation of supply of products and components from suppliers to PowerLight, including competitors of SunPower, and the continuation of existing large-scale PowerLight customer projects. These and other risk factors are contained in documents that the company files with the SEC, including the Form 10-K for fiscal 2005 and its recent 10-Qs, as well as filings we make with regard to the PowerLight transaction and PowerLight. 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.

###

SunPower is a registered trademark of SunPower Corp. PowerLight is a registered trademark of PowerLight Corp. Cypress is a registered trademark of Cypress Semiconductor Corp. All other trademarks are the property of their respective owners.