

**SUNPOWER CORPORATION**  
**EIN: 94-3008969**  
**Attachment to Form 8937**

**Part II**

**Line 14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.**

On August 26, 2020, SunPower Corporation ("SunPower") completed the previously announced spin-off (the "Spin-off") of Maxeon Solar Technologies, Ltd. ("Maxeon"), a Singapore public company limited by shares. The Spin-off was completed by way of a pro rata distribution (the "Distribution") of all of the then-issued and outstanding ordinary shares of Maxeon (the "Maxeon Stock") to the holders of record (the "SunPower Stockholders") of SunPower's common stock (the "SunPower Stock") as of the close of business on August 17, 2020 (the "Record Date"). Pursuant to the Distribution, each SunPower Stockholder received one (1) share of Maxeon Stock for every eight (8) shares of SunPower Stock held as of the Record Date. Any SunPower Stockholder who would otherwise be entitled to a fractional share of Maxeon Stock as a result of the Distribution received a cash payment in lieu of such fractional share of the Maxeon Stock.

**Line 15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.**

SunPower Stockholders should allocate their aggregate tax basis in their SunPower Stock held immediately prior to the Distribution among the Maxeon Stock received in the Distribution (including any fractional share of the Maxeon Stock for which cash was received) and the SunPower Stock in respect of which such Maxeon Stock was received in proportion to the fair market value of such stock immediately after the Distribution.

*This Form 8937 does not constitute tax advice. Shareholders are urged to consult their own tax advisors regarding the particular consequences of the Distribution, including the applicability and effect of all U.S. federal, state and local, and foreign tax laws.*

**Line 16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.**

The U.S. federal income tax laws provide that the allocation of the aggregate tax basis described in Line 15 above is made based on the relative fair market values of the SunPower Stock and the Maxeon Stock immediately after the Distribution. Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the facts. One potential

method to determine the fair market value is to use the average of the high and low trading prices of the SunPower Stock and Maxeon Stock on the date of the Distribution. The average of the high and low trading prices of the SunPower Stock and Maxeon Stock on August 26, 2020 was \$9.07 and \$35.01, respectively. For purposes of the example below, the average of the high and low trading prices on August 26, 2020, taking into account the distribution ratio of one (1) Maxeon share per each eight (8) SunPower shares, is assumed to be the fair market value of SunPower Stock and Maxeon Stock. Therefore, the pre-Distribution tax basis in the SunPower Stock would be allocated 67.5% ( $\$9.07 / \$9.07 + (0.125 \times \$35.01)$ ) to the SunPower Stock and 32.5% ( $((0.125 \times \$35.01) / \$9.07 + (0.125 \times \$35.01))$ ) to the Maxeon Stock.

**Example:** Assume a U.S. shareholder owned 50 shares of SunPower Stock, 25 of which were acquired on Date 1 with an aggregate tax basis of \$100 (or \$4 per share), and 25 of which were acquired on Date 2 with an aggregate tax basis of \$200 (or \$8 per share), for a total aggregate basis of \$300. Pursuant to the Distribution, such U.S. shareholder received 6.25 shares of Maxeon Stock (50 shares of SunPower Stock x 0.125). Taking into account the assumed relative fair market values noted above, the U.S. shareholder would have (i) 3 shares of Maxeon Stock (25 shares x 0.125 less the 0.125 fractional share) with an aggregate tax basis of \$31.24 ( $(\$100 \times 32.5\% / 3.125) \times 3$ ) that is treated as having been acquired on Date 1; (ii) 3 shares of Maxeon Stock (25 shares x 0.125 less the 0.125 fractional share) with an aggregate tax basis of \$62.49 ( $(\$200 \times 32.5\% / 3.125) \times 3$ ) that is treated as having been acquired on Date 2; and (iii) a fractional share (0.25) that is divided into two equal segments of 0.125 to represent the basis of stock acquired on Dates 1 and 2, respectively. Specifically, the fractional share would have one segment with a tax basis of \$1.30 ( $(\$100 \times 32.5\% / 3.125) \times 0.125$ ) that is treated as having been acquired in Date 1 and a second segment with a tax basis of \$2.60 ( $(\$200 \times 32.5\% / 3.125) \times 0.125$ ) that is treated as being acquired on Date 2. In addition, U.S. shareholder's aggregate tax basis in the 25 shares of SunPower Stock that were acquired on Date 1 would be reduced to \$67.45 ( $\$100 \times 67.5\%$ ), and its aggregate tax basis in the 25 shares of SunPower Stock that were acquired in Date 2 would be reduced to \$134.91 ( $\$200 \times 67.5\%$ ).

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**Line 17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.**

The applicable Internal Revenue Code sections upon which the tax treatment of the Distribution is based are sections 355, 358, and 368. Note that this Form 8937 does not address the treatment of the cash payments made to shareholders related to fractional shares.

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**Line 18. Can any resulting loss be recognized?**

SunPower intends for the Spin-Off to qualify as a reorganization described in sections 368(a)(1)(D) and 355 of the Internal Revenue Code. Assuming this characterization is respected, the SunPower Stockholders should not recognize any loss on the Distribution. Note that this Form 8937 does not address the treatment of the cash payments made in lieu of fractional shares.

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**Line 19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.**

The stock basis adjustments are taken into account in the taxable year of a SunPower Stockholder during which the Distribution occurred (e.g., 2020 for calendar year taxpayers).

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