



Anti-Bribery and Corruption Policy

April 2019

INTRODUCTION

This Anti-Bribery and Corruption Policy (the “Policy”) applies to all directors, officers and employees (collectively, “you”) of TerraForm Power, Inc. and its wholly-owned subsidiaries (“TERP”, “we”, “us”, “our” or the “company”).

This Policy should be read in conjunction with the Code of Business Conduct and Ethics (the “Code”), which serves as a guide for how you should conduct yourself as a member of the TERP team.

ZERO TOLERANCE APPROACH TO BRIBERY

Do not give or receive bribes, including “facilitation payments”.

We value our reputation for conducting business with honesty and integrity. It is vital for us to maintain this reputation as it generates confidence in our business by our customers, clients, investees and other persons – which ultimately means it is good for business.

We do not pay bribes in furtherance of our business and expect that you will not do so on our behalf. We have a zero tolerance approach towards bribery. This commitment comes from the highest levels of management and you must meet this standard.

A bribe is anything of value that is offered, promised, given or received to influence a decision or to gain an improper or unfair advantage. Bribery may not always be in the form of cash payments and may take many other forms, including:

- Non-arm’s length loans or other transactions;
- Phony jobs or “consulting” relationships;
- Employment opportunities or internships;
- Political contributions;
- Charitable contributions; or
- Gifts, travel, and hospitality.

Facilitation payments are also a form of bribe and are, therefore, not permitted. Facilitation payments are small payments made to secure or speed up routine actions or otherwise induce public officials or other third parties to perform routine functions they are otherwise obligated to perform, such as issuing permits, approving immigration documents or releasing goods held in customs. This does not include legally required or permitted administrative fees for expedited service.

DEALING WITH PUBLIC OFFICIALS

Interactions with public officials require enhanced scrutiny and sensitivity.

A “public official” is any person who is employed by or is acting in an official capacity for a government, a department, agency or instrumentality of a government, or a public international organization. This includes elected or appointed persons who hold legislative, administrative or judicial positions such as politicians, bureaucrats, civil servants, and judges. It also includes persons who perform public functions such as professionals working for public health agencies, water authorities, planning officials and agents of public international organizations, such as the UN or World Bank. A “public official” may also include employees of government-owned or controlled businesses, including sovereign wealth funds. For

example, if a government has an interest in a bank and exercises control over the activities of that bank, then the banking officials are likely to be considered “public officials”.

There is increased sensitivity and scrutiny of dealings with public officials because this has traditionally been an area where bribery activity is more likely to occur. Be cognizant of these risks in your dealings and interactions with public officials and consider how your actions may be viewed. For example, payments, gifts or employment to close relatives of public officials may be treated by enforcement authorities as direct payments to the public officials and, therefore, may constitute violations of law.

THIRD-PARTIES

Joint venture partners, agents, contractors and suppliers are not permitted to pay bribes on our behalf.

The company may be prosecuted for failing to prevent bribery by a person associated with it. This includes any individual or entity that performs services for or on behalf of the company. Employees should avoid doing business with partners, agents and contractors who do not have a zero tolerance approach to bribery.

This means due diligence should be undertaken on contractors, partners and agents to establish their anti-bribery credentials, where warranted by the assessed level of risk. This could include informing these persons (and associated companies) of the company’s anti-bribery policy, meeting with them to better assess their business practices, and making commercially reasonable inquiries into their reputation and past conduct. In consultation with internal legal counsel, include anti-bribery language in contractor, partner or agency agreements, where appropriate.

GIFTS AND ENTERTAINMENT

The giving or receiving of gifts and entertainment should be proportionate and reasonable for the circumstances.

Gifts (e.g. merchandise, event tickets) given to or received from persons who have a business relationship with the company are generally acceptable, if the gift is modest in value, infrequent, appropriate to the business relationship, and does not create an appearance of impropriety. No cash payments should be given or received. In addition, gifts should not be given to or received from public officials.

Entertainment (e.g. meals, sporting events or the theatre, rounds of golf) given to or received from persons who have a business relationship with the company are generally acceptable, if the entertainment is reasonable in value, appropriate to the business relationship, infrequent, does not create an appearance of impropriety and if a representative from the sponsoring organization (the party paying for the entertainment) is present at the event. Note that many jurisdictions have laws restricting entertainment given to public officials or their close relatives.

Gifts and entertainment (including meals) that are repetitive, no matter how small, may be perceived to be an attempt to create an obligation to the giver and should be avoided. Gifts or entertainment given close in time to when a decision impacting our business is being made may be perceived as a bribe in return for a favorable decision and should also be avoided. Employees should not pay for gifts and entertainment (including meals) personally to avoid having to report or seek approval for it.

Employees should not give or receive “big-ticket” items, such as travel, conference fees, costs for road shows, or event sponsorships, without prior written authorization from internal legal counsel or person(s) designated to provide such authorization. If you are in doubt as to whether gifts or entertainment proposed to be given or received are proportionate and reasonable for the circumstances, please consult internal legal counsel.

POLITICAL DONATIONS AND LOBBYING

Do not offer political donations to political parties or candidates without specific authorization.

To ensure that we do not breach the law regarding political donations in any country, all political donations, no matter how small or insignificant, made on behalf of the company (directly or indirectly) are forbidden unless approved in advance by the General Counsel in writing.

While political donations made by employees and their immediate family members are not prohibited, employees and their immediate family members should be careful to not make political donations that, once made, could be imputed to the Company.

In the U.S. and other jurisdictions, various federal, state, and municipal laws and regulations impose specific restrictions and rules with respect to political contributions, both those made on behalf of the company or made by individuals on their own behalf. Violation of these laws and regulations can carry significant penalties for the company.

Do not engage in any lobbying activities on behalf of the company without specific authorization.

The company encourages its employees, officers and directors to take an active role in public service. However, any participation in this regard is to be undertaken as an individual and not as a representative of the company.

Lobbying activities generally include attempts to influence the passage or defeat of legislation and it may trigger registration and reporting requirements. In many jurisdictions, the definition of lobbying activity is extended to cover efforts to induce rule-making by executive branch agencies or other official actions of agencies, including the decision to enter into a contract or other arrangement.

You should not engage in lobbying activities on behalf of the company without the prior written approval of the company’s General Counsel.

CHARITABLE DONATIONS

Do not solicit or offer donations to clients, suppliers, vendors, public officials or others in a manner which communicates that a donation is a prerequisite for future business or that the offer of a donation is intended to obtain a business advantage.

We encourage our directors, officers and employees to contribute personal time and resources to charities and not-for-profit organizations. However, unless the solicitation is supported by the company, you are prohibited from using the company name or company stationery for solicitation of donations.

All requests for corporate gifts to charities and other not-for-profit organizations should be approved in advance by the company’s internal legal counsel or person(s) designated to approve such donations.

Charitable donations made by individuals on their own behalf should comply with local laws and regulations.

If you are requested by a public official to make a personal donation to a particular charity, please consult with the Company's General Counsel or person(s) designated to approve such donations before agreeing to or making the donation.

RECORD-KEEPING

Record all our transactions in a complete, accurate and detailed manner so that the purpose and amount of the transaction is clear.

In addition to prohibiting bribery, some anti-bribery legislation requires proper record-keeping and the establishment and maintenance of internal controls. The purpose of these provisions is to prevent companies from concealing bribes and to discourage fraudulent accounting practices.

All transactions must be recorded completely, accurately and with sufficient detail so that the purpose and amount of any such payment is clear. No undisclosed or unrecorded funds or assets of the company should be established for any purpose. False, misleading, or artificial entries should never be made in the books and records of the company for any reason.

REPORTS AND COMPLAINTS

Internal reporting is critical to the company's success, and it is both expected and valued. You are required to be proactive and promptly report any suspected violations of this Policy, or any illegal or unethical behavior of which you become aware. The confidentiality of reported violations will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review and subject to applicable law. You will not experience retribution or retaliation for a complaint made in "good faith".

The Code provides guidance on reporting complaints, including contact information for our reporting hotline, which is managed by a third-party and allows for anonymous reporting of suspected violations.

Disciplinary Action for Policy Violations

Please note that we reserve the right to take disciplinary action for Policy violations that fits the nature and particular facts of the violation. This could, in the most severe circumstances, include immediate termination for cause and, if warranted, legal proceedings may be brought against you.

CONTACT INFORMATION

INTERNAL LEGAL COUNSEL

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ETHICS REPORTING CHANNELS

United States 1-844-599-8784

Canada 1-844-599-8784

Chile

1. From an outside line dial the direct access number for your location:

Chile (Telmex - 800) 800-225-288
Chile (Telefonica) 800-800-288
Chile (ENTEL) 800-360-311
Chile (ENTEL - Spanish Operator) 800-360-312
Chile (Easter Island) 800-800-311
Chile (Easter Island - Spanish Operator) 800-800-312

2. At the English prompt dial 844-599-8784

United Kingdom

1. From an outside line dial the direct access number for your location: 0-800-89-0011
2. At the English prompt dial 844-599-8784

Spain

1. From an outside line dial the direct access number for your location: 900-99-0011
2. At the English prompt dial 844-599-8784

Portugal

1. From an outside line dial the direct access number for your location: 800-800-128
2. At the English prompt dial 844-599-8784

Uruguay

1. From an outside line dial the direct access number for your location: 000-410
2. At the English prompt dial 844-599-8784

Ethics Reporting Website

The Network, a NAVEX Global Company:

www.terraformpower.ethicspoint.com

ADDENDUM 1: EXAMPLES OF PROPER AND IMPROPER BEHAVIOR

Dealing with Public Officials

Example A

One of the policy advisors for the Energy Regulator has approached you to see if you would consider hiring his brother as a consultant for TERP. His brother is an engineer and a former university professor. He has provided you with a list of his brother's credentials and professional references. Under this Policy, you may consider this request only after you have given due attention to any actual and perceived conflicts of interest, in consultation with the Company's General Counsel. Employment to close relatives of public officials may be treated by enforcement authorities as direct payments to the public officials and, therefore, may constitute violations of law.

Example B

A public official is going to visit one of our solar assets for her own informational purposes and has asked if the Company will pay the expenses (1) if she travels first class; (2) if she brings along her spouse; and (3) stays a few days after in the hotel for a short vacation. Under this Policy, it is not permissible to cover any of these expenses, as the business trip is not related to business with the Company.

Gifts and Entertainment

Example C

A Company supplier has offered you (1) a seat at a charity dinner accompanying the supplier and (2) an all expenses paid trip to the Super Bowl accompanying the supplier. Under this Policy, you are permitted to accept a gift if it is modest, proportionate and reasonable under the circumstances. As a result, under this Policy, you are permitted to accept the charity dinner seat, but you should decline the Super Bowl trip.

Charitable Donations

Example D

A wind repowering project will require a local community consultation process. During meetings with local community members, the local town board requests money for some equipment and improvements to the local school to demonstrate the Company's commitment to the local community. Under this Policy, you should consult with the Company's General Counsel. You are permitted to make this donation only after specific approval from the Company's General Counsel to do so.

Facilitation Payments

Example E

You are on a business trip to the office in Chile. Upon landing at the airport, you are approached by a customs officer to pay him \$60 for what the customs officer calls "expedient services". This is an example of a facilitation payment intended to secure or speed up routine actions or induce public officials to

perform routine functions that they are otherwise obligated to perform, which is prohibited under this Policy.