



## Settlement Briefing for SunEdison Lenders

November 8, 2016



**TerraForm** <sup>POWER</sup>  
a SunEdison company

# Cautionary Note Regarding Forward-Looking Statements

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This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. These statements involve estimates, expectations, projections, goals, assumptions, known and unknown risks, and uncertainties and typically include words or variations of words such as “expect,” “anticipate,” “believe,” “intend,” “plan,” “seek,” “estimate,” “predict,” “project,” “goal,” “guidance,” “outlook,” “objective,” “forecast,” “target,” “potential,” “continue,” “would,” “will,” “should,” “could,” or “may” or other comparable terms and phrases.

They include, without limitation, statements relating to the proposed settlement of claims with SunEdison, Inc.; our asserted legal rights and defenses against SunEdison (with which a court may disagree); potential litigation relating to such claims and defenses; TerraForm Power, Inc.’s pursuit of strategic alternatives; consultations, discussions or negotiations with various stakeholders in connection with any such settlement of claims or pursuit of strategic alternatives; and approval of any such settlement of claims or pursuit of strategic alternatives by the necessary parties, including the bankruptcy court in the SunEdison, Inc. bankruptcy case. These forward-looking statements are based on current expectations as of the date of this presentation and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including but not limited to: whether any settlement of claims or strategic transaction will be agreed on; the terms of any such settlement or transaction; the outcome of any litigation relating to such claims; the approval of any settlement or transaction by the necessary parties, including the bankruptcy court in the SunEdison, Inc. bankruptcy case; as well as additional factors we have described in other filings with the SEC.

The risks included above are not exhaustive. Other factors that could adversely affect our business and prospects are described in the filings made by us with the SEC.

TerraForm Power, Inc. undertakes no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.



# TERP Seeks Support of SUNE Creditors for Settlement

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- TERP announced previously that it is pursuing a global settlement with SUNE to facilitate TERP's pursuit of strategic alternatives
- TERP met with SUNE and restricted creditors on September 26 to present overview of situation, and provided certain information publicly to stakeholders
- TERP has circulated a draft settlement agreement to SUNE, restricted lenders and advisors
- This additional information is now being presented in a meeting with additional SUNE lenders, some of whom are not party to non-disclosure agreements
- Presentation has been furnished on Form 8-K per Regulation FD

# TERP Strategic Review Process is Underway

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- **TERP announced previously that it is exploring strategic alternatives**
  - TERP's goal is to maximize total value to all TERP stockholders, including public and SUNE
  - Retention of Morgan Stanley, Centerview and Sullivan & Cromwell.
  - Process is ongoing; no decision has been made
  
- **Strategic alternatives may include**
  - 100% acquisition for cash or stock
  - Partial acquisition by sponsor and preservation of public float
  - Stand-alone operations / no sale
  
- **TERP is consulting with shareholders, TERP creditors, SUNE and its stakeholders**



# TERP Must Act in the Best Interests of TERP

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- **TERP is an independent, NASDAQ-listed public company, and a majority of its directors are independent of SUNE**
- **The independence of TERP is an important component of its value to all stockholders, as well as certain strategic partners**
- **TERP must act based on its good faith belief as to the best interest of TERP and all stockholders, including SUNE and the public float**
- **SUNE has rights as stockholder under Delaware law and may have rights under sponsorship agreements prior to their rejection**

# TERP Prefers a Collaborative Process

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- **Transactions under consideration require TERP corporate action**
  - Settlement with SUNE
  - Strategic alternative, including potential merger or sale of TERP or arrangements with a new sponsor
  - Access to corporate and project information belonging to TERP
  
- **TERP and SUNE are proceeding at arm's length, with coordination among respective financial advisors**
  
- **TERP seeks to involve SUNE and its creditors because TERP benefits from consensus**
  - SUNE support in TERP stockholder vote required for some strategic opportunities
  - SUNE support requires bankruptcy court approval and creditors' views may be important to take into consideration

# Settlement Overview

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- **TERP seeks to have settlement as soon as possible to resolve strategic parties' uncertainty**
- **TERP conflicts committee has authorized settlement discussions. Although settlement is preferred, TERP is prepared to litigate issues to resolution in the absence of an acceptable settlement.**
- **TERP will consider strategic alternatives that do not require a settlement with SUNE or SUNE stockholder approval, although these may not be as beneficial to all stockholders (considering SUNE and public stockholders collectively) as a consensual strategic transaction accompanied by a fair settlement**
- **TERP has developed a settlement proposal that it believes is in the best interests of all stockholders**

# TERP Proposes Settlement Where Proceeds are Allocated Ratably Among All Stockholders

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- **Aligns TERP and all stockholders in consideration of alternatives**
  - Whole-company, partial investment, sponsorship and stand-alone alternatives can be reviewed objectively
  - SUNE and public stockholders receive ratable recoveries, except for pre-agreed modifications in settlement agreement
  - SUNE can allocate its share of cash and non-cash recoveries based on the preferences of its creditors
- **Facilitates conflicts committee, court and stockholder approvals**
- **Provides framework for any necessary overbid / fiduciary out**
- **Allows TERP to consult more freely with stakeholders and improves communication**



# Main Terms of TERP Settlement Proposal

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- **Settlement effective at closing of a jointly approved strategic transaction**
- **TERP shareholders participate ratably in transaction**
  - After transaction, regardless of form, SUNE and all pre-transaction shareholders receive equal value per share
  - SUNE makes a one-time payment in a negotiated amount (in cash or kind) to adjust for the unpaid Minimum Quarterly Distributions due to class A shareholders under TERP LLC agreement.
- **Intercompany claims stipulated and settled**
  - TERP administrative claim for amounts that SUNE was obligated to reimburse under sponsorship arrangements post-petition
  - All other TERP claims would be unsecured pre-petition claims; recoupment waived

# Next Steps

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- **Due diligence activities relating to strategic alternatives and settlement negotiations to continue in parallel in near term**
- **Certain creditors of TERP and SUNE and/or advisors will be privy to confidential information about the process, subject to non-disclosure agreements**
- **TERP may not provide additional public information about the process for some time, even if discussions are terminated or suspended**
- **There can be no assurances that a settlement or any strategic transaction will be agreed**
- **SUNE's obligations with respect to any settlement and transaction will require bankruptcy court approval**



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