



# Your Guide to the Employee Stock Purchase Plan (ESPP)

**Read through this guide for an  
overview of the ESPP, including  
how to enroll.**

Invest In Your Future.  
Share In Our Success.



# Welcome!

Our people are the reason for our success. That is why Sunrun is proud to offer an Employee Stock Purchase Plan (ESPP) through Charles Schwab to all eligible employees. It's our way of helping you share in our success—and invest in your financial future.



## Am I eligible?

All full-time and part-time employees working 20 or more hours a week and five months per year are eligible to participate.

## How does it work?

Once you enroll in either May or November, shares are purchased at the end of every six-month period for up to four consecutive Purchase Periods. Each purchase will be at a 15-percent discount to the lower of the price on the Purchase Date and the price at the beginning of your applicable 24-month Offering Period.

As a result, your price may “look back” for up to 24 months to the beginning of your applicable Offering Period. An Offering Period can include up to four consecutive Purchase Periods, after which you are automatically re-enrolled in a new 24-month Offering Period.

## How many shares can I purchase?

You may contribute up to 15% of your eligible compensation. The number of shares purchased is subject to your applicable purchase price. Please see the Plan Prospectus for details on eligible compensation and IRS limitations.

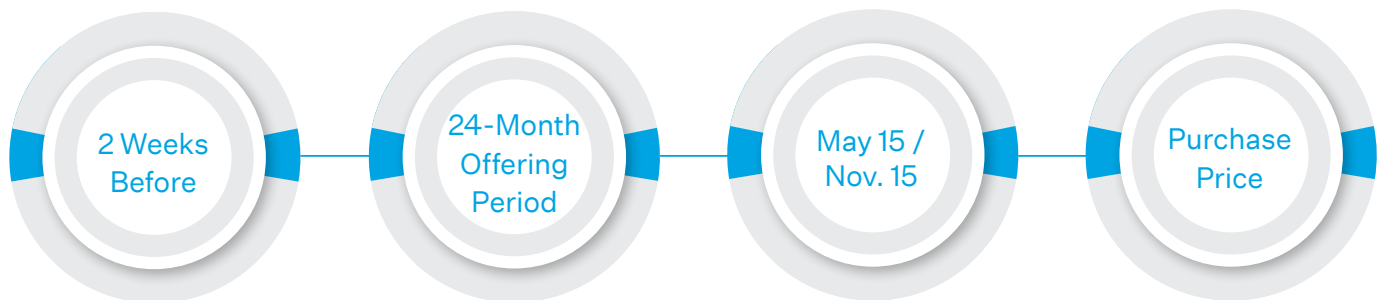


## What is the ESPP?

The ESPP allows you to purchase shares of Sunrun stock at a discount through convenient, after-tax payroll deductions. You may contribute between 1% and 15% of eligible earnings. Sunrun will then purchase shares on your behalf and deposit them into your Charles Schwab account.

# Timeline

What happens when? Refer to the timeline below for an overview of a typical stock purchase cycle.



Enrollment in the ESPP begins two weeks before each Purchase Period.

Each Offering Period lasts up to 24 months from your enrollment in that Period.

Sunrun purchases shares on your behalf at the end of each six-month Purchase Period.

The price is discounted from the lower of the price on the Purchase Date and the price at the beginning of the Offering Period—up to a 24-month look-back.



## Did you know?

The Enrollment and Purchase Dates are every six months and occur in May and November.

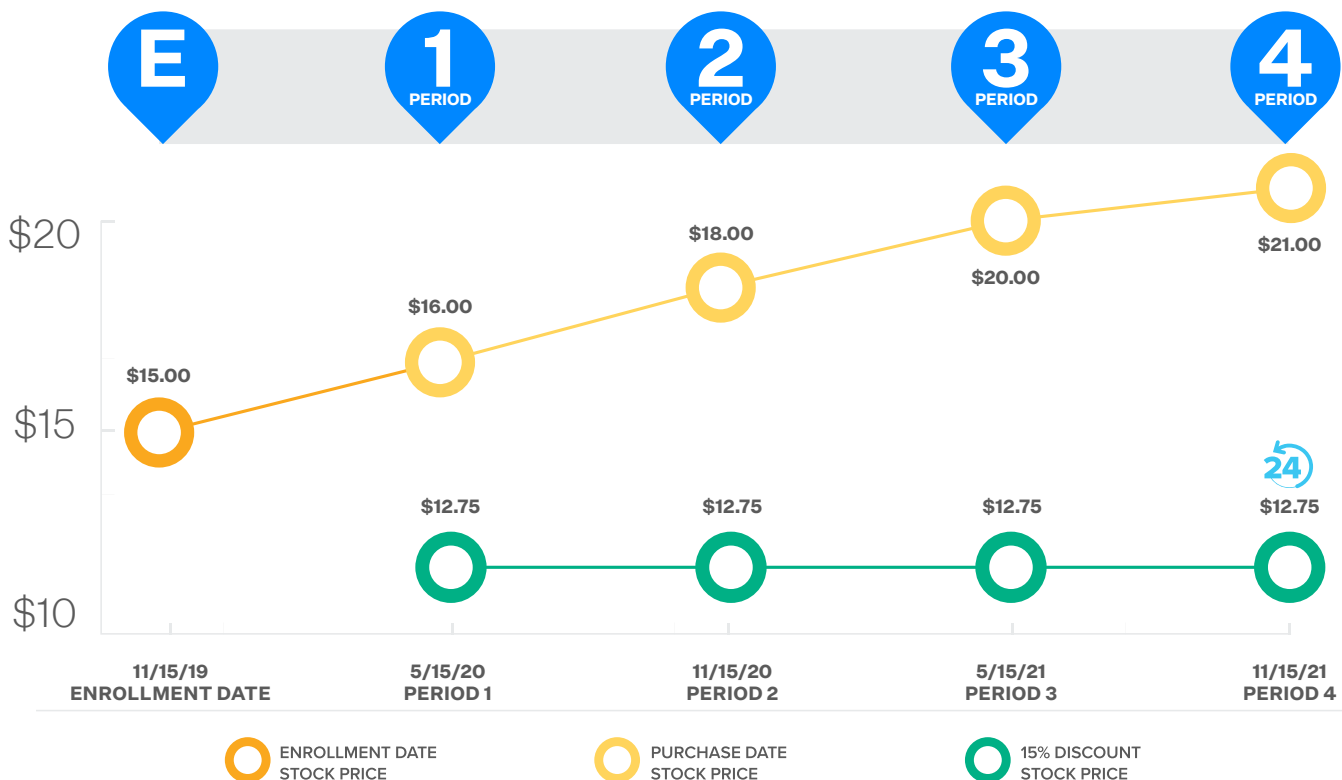
# How the ESPP Works in Practice

## The ESPP is designed to give you an ongoing discount on our stock price. Here's how:

Let's say that the closing stock price when you enroll on November 15, 2019, is \$15. The price then increases to \$16 on the first Purchase Date on May 15, 2020. Because the Enrollment Date stock price is lower, we use that amount to calculate your 15% purchase discount. Thus, you would purchase shares of Sunrun stock for \$12.75 per share ( $\$15 \times 85\% = \$12.75$ ).

If the stock price increases to \$18 on the next Purchase Date on November 20, 2020, then your purchase price would still equal \$12.75 per share, which is 85% of \$15. The 24-month Offering Period and "look-back" to the beginning of your applicable Offering Period result in lower ESPP purchase prices over time.

**BELOW IS AN ILLUSTRATION OF HOW THE 24-MONTH OFFERING PERIODS WORK.**

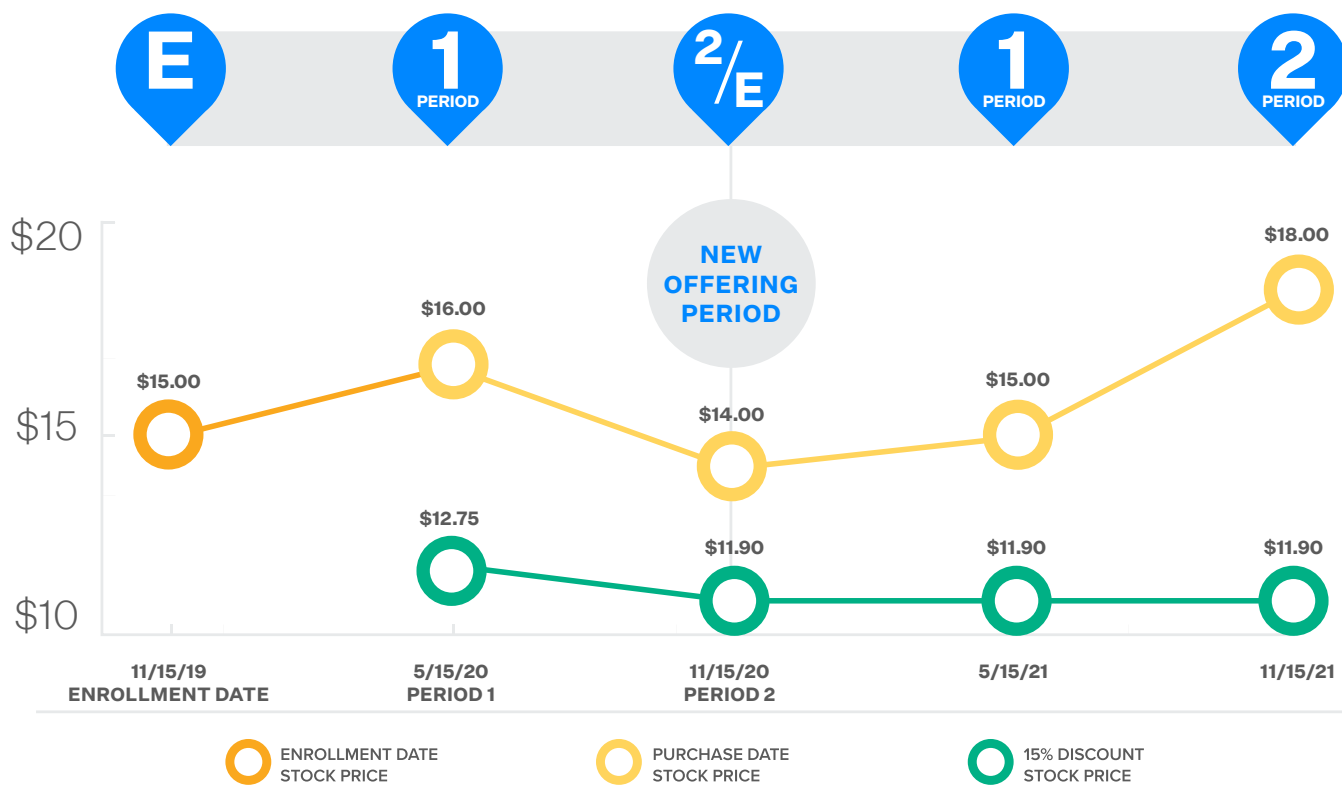


15% DISCOUNT + LOOK BACK = Value!

Now let's assume that on November 15, 2020, the stock price falls to \$14 per share. On that Purchase Date, you would purchase shares at \$11.90 per share (85% of \$14). Because the stock price on this Purchase Date is lower than the stock price on the Enrollment Date of November 15, 2019, you would automatically be removed from your original Offering Period and be re-enrolled in a new Offering Period starting on November 15, 2020.

If the stock price increases to \$15 on the next Purchase Date of May 15, 2021, you would purchase shares at \$11.90 per share (85% of \$14). This way, you get the benefit of the lower \$14 look-back price for 24 months from November 15, 2020.

**BELOW IS AN ILLUSTRATION OF HOW THE 24-MONTH OFFERING PERIODS WILL WORK.**

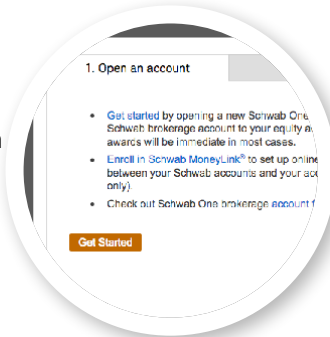


# Getting Started

To enroll in the ESPP, you must first open a brokerage account through Charles Schwab. Getting started is easy!

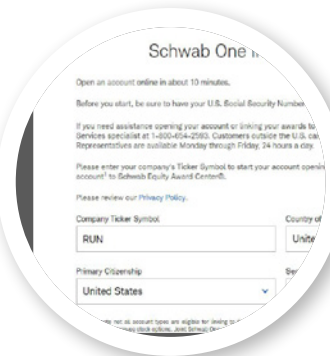
## Step 1

Log into **<https://eac.schwab.com>** and click on the orange “Get Started” button under the “Open an Account” tab on the home page.



## Step 2

Enter your personal information, including your name, city and state where you live, Social Security number and date of birth. You will also need Sunrun’s ticker symbol (RUN) and your Employee ID (select the Workday tile through Sunrun’s okta single sign-on at **[myapps.sunrun.com](https://myapps.sunrun.com)** to view your Pay Slips and confirm your Employee ID).



If you already have a Charles Schwab brokerage account, you will be able to link it to your Equity Awards account.

## Step 3

Create a personal login ID and password, and enter the answers to the security questions of your choice. You’ll then be asked to enter your employment and financial details (e.g., household income, investment holdings), which are required in order to comply with industry standards. Rest

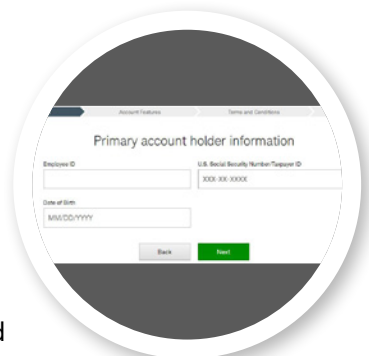
assured that Schwab will not share this confidential information with outside companies.

## Step 4

Fill in your current legal address and phone number, as well as your employment and financial details. Please note that your legal address must be a physical street address, not a PO Box.

## Step 5

Verify your identity and provide details on your account preferences (e.g., going paperless).



## Step 6

Review your information and click “Submit.”

Next time you log into **<https://eac.schwab.com>**, you’ll be able to go to the “Equity Awards” tab to review details on your equity awards. You can also enroll in the ESPP by navigating to “Manage ESPP Elections” (under the same tab) during the next ESPP enrollment window (the first two weeks of May and November each year). Stay tuned for email updates from Sunrun for details.

**Questions? Call Schwab Stock Plan Services at 800.654.2593, M–F, 24 hours.**

# Key Terms to Know

Following are definitions of terms commonly used when discussing the ESPP.

## Holding Period

The period of time you hold your purchased ESPP shares before selling them.

## Qualifying Disposition

Occurs when you sell your purchased shares **more** than two years after the start date of the applicable Offering Period **and** more than one year after the Purchase Date.

## Disqualifying Disposition

Occurs when you sell your shares **less** than two years after the applicable Offering Period **or** less than one year after the Purchase Date.

## Look-Back Window

A provision that bases the discounted purchase price on the stock price at either the Purchase Date or the beginning of the Offering Period, whichever is lower.

## Offering Period

The period of up to 24 months, consisting of six-month Purchase Periods, during which participants can benefit from the Look-Back Window.

## Purchase Period

The time during which payroll deductions are accumulated. Shares are typically purchased under the plan at the end of the Purchase Period, and shares are deposited in your Charles Schwab Equity Awards Account.

## Purchase Date

The date at the end of each Purchase Period when shares are purchased by Sunrun on your behalf.



Please note: This guide is intended to provide you with highlights of the Employee Stock Purchase Plan (ESPP). It is not intended to address all details. Actual benefit coverage is specified in the Plan Documents. In the event of any differences between this guide and the Plan Documents, the Plan Documents will govern. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.